Daily Report

Latin America

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FBIS-LAT-90-093 *14 May 1990*

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Cuban Delegate Rebuts U.S. at ECLA Meeting

FL1105130590 Havana Tele Rebelde Network in Spanish 1100 GMT 11 May 90

[Text] In Caracas, Cuba has rejected the U.S. rebuttal to the remarks on the supply of economic cooperation made at the 23d meeting of the Economic Commission for Latin America and the Caribbean [ECLA] and reiterated that it will defend its sovereignty at any cost. Ernesto Melendez used the right of rebuttal to respond to the arguments of the U.S. delegate, who justified the anti-Cuban television broadcasts and other U.S. provocations and threats against Cuba.

In the U.S. rebuttal to Melendez' speech, the U.S. delegate went to the extreme of denying the holding of military maneuvers and plans to invade our country. In his counterrebuttal, the Cuban minister mentioned the group of attacks that has characterized Washington's policy against our people and the recent U.S. military maneuvers in the Atlantic and Caribbean.

ALADI Members To Reduce Import Tariffs

PY1205212290 Madrid EFE in Spanish 2134 GMT 11 May 90

[Text] Buenos Aires, 11 May (EFE)—It was reported here today that the Argentine, Brazilian, and Chilean Governments will simultaneously reduce by 30 percent import tariffs on the products included on the lists which are part of the accords signed within the Latin American Integration Association (ALADI).

Raul Carignano, Argentine under secretary for Latin American affairs, told the Buenos Aires press that the measure will come into force after a 4 June meeting ALADI will hold in Asuncion, the Paraguayan capital.

Carignano added that the seven other ALADI members will reduce tariffs by 20 percent in an effort to promote trade and economic integration in the region.

In the case of Argentina and Brazil, the reduction of the tariffs will involve the elimination of bilateral negotiations for the exchange of capital goods and food and farm products included in the integration accords that the two countries signed in 1986.

Argentine-Brazilian negotiations will no longer be necessary if the reduction of tariffs affects all the accords signed within ALADI.

The reduction of tariffs within ALADI was promoted during a meeting of foreign ministers of the "Group of Rio" (Argentina, Brazil, Colombia, Mexico, Venezuela, Peru, and Uruguay) held in Buenos Aires in December 1989.

The "Group of Rio" decided that its members will reduce ALADI tariffs by 50 percent and the tariffs on lists of products outside ALADI accords by 10 percent.

The so-called "Declaration of Buenos Aires" stressed the need to "coordinate as soon as possible" export promotion policies in Latin American trade.

The other countries of the region were "invited" to adopt the decisions of the "Group of Rio," whose members are the most developed countries in Latin America.

Diplomatic sources told EFE today that the reduction of tariffs that was agreed upon by the "Group of Rio" was not implemented because of Mexico's reluctance, considering that this country has begun talks with the United States to join the Canadian-U.S. common market.

The Mexican representatives explained that a reduction of tariffs in Mexican trade with the United States will compel them to also enforce it for the other ALADI countries.

After several rounds of negotiations, the Mexican representatives concluded that the tariff reductions to come into force as of June are reasonable.

Mexico's concurrence means a U.S. "green light" for Mexico to become a factor that may strengthen integration between North and South America, the newspaper "AMBITO FINANCIERO" said today.

Cuba

Castro: Invasion Would Cost More Than Vietnam

PA1205184490 Paris AFP in Spanish 0926 GMT 12 May 90

[Text] Madrid, 12 May (AFP)— Cuban President Fidel Castro has said that an invasion of Cuba "would cost the United States much more than the Vietnam war." He made that assertion in Varadero (Cuba) to a group of Spanish journalists, including a reporter from DIARIO 16, which published his statement today.

"The Yankees will have to think it over, because they would need a large force to launch an attack against us," Castro added. Regarding a conversation he had a few weeks ago in Brazil with Venezuelan President Carlos Andres Perez and Spanish Prime Minister Felipe Gonzalez, Castro said that "they were very worried about a possible U.S. attack on Cuba."

"They must have their reasons as they have good contacts with the United States," Castro stressed.

Regarding the Sandinists' electoral defeat in Nicaragua, Castro said that it was due to the U.S. policy of "attrition, blockade, and dirty war." He said that, in his opinion, "in Nicaragua the revolution lost the majority, but the revolution has not been lost."

Castro rejected U.S. criticism on the human rights situation in Cuba and described as "Judas" the East European countries that voted against Cuba in Geneva, thus permitting a UN investigation regarding human rights in Cuba.

Regarding the current changes taking place in East Europe, Castro said: "The more people fight against socialism, the more I defend it; the more they hate it, the more I love it."

Perez Condemns 'Possible Aggression' by U.S.

FL1205005790 Havana Radio Rebelde Network in Spanish 2305 GMT 11 May 90

[Text] UN Secretary General Javier Perez de Cuellar has made statements regarding the U.S. maneuvers near Cuba and U.S. television aggression against our country.

In statements made in Budapest, Hungary, Perez de Cuellar said: The United Nations does not approve any intimidatory action that endangers a country's security or that disturbs peace. Perez de Cuellar said: Just as I condemned the U.S. invasion of Panama, I now condemn a possible aggression against Cuba.

As for the transmissions of the so-called TV Marti, the high-ranking UN official repudiated the action and said that he has talked with Cuban representatives about the issue. Following, Perez de Cuellar added: I believe Cuba has a right to protest those transmissions, which are a violation of its sovereignty.

Envoy to UN Criticizes 'Racist' U.S. Policy

FL1105231790 Havana Radio Reloj Network in Spanish 1933 GMT 11 May 90

[Text] Our country has stated before the United Nations that U.S. racial discrimination practices are not limited to its foreign policy but also reach the ethnic minorities that are part of the U.S. population.

During the UN Social and Economic Council discussions, Cuban delegate Jorge Ivan Mora accused Washington of expressing contempt for the Latin American peoples and of supporting the racist South African and Israeli regimes.

The UN Social and Economic Council is currently discussing the struggle against racial discrimination. In the case of the United States, Cuba gave examples to the world of the segregationist attitude of Yankee authorities toward the countries south of the Rio Grande.

Cuban diplomat Jorge Ivan Mora added that as for its internal policy, U.S. minorities are subjected to constant humiliations and are victims of the reappearance of racist groups.

Jorge Ivan Mora asserted in Geneva that the Yankee invasion of Panama is a drastic expression of the U.S. policy of discrimination against Latin America. Mora accused the Washington authorities of applying their interfering and interventionist policy in Latin America, which—he said—is nothing other than a result of the contempt that Washington feels for the countries located south of Rio Grande.

In addition, Mora said that the United States supports the racist South African regime, which is based on the exploitation of the black majority, and also the Israeli regime, which imposes its Zionism and denies Palestine its right to sovereignty and independence.

Finally, the Cuban delegate to the UN Social and Economic Council expressed the Cuban people's and government's solidarity with the struggle of the Palestinian people and their vanguard, the Palestine Liberation Organization.

Official Condemns U.S. Campaign Against Iraq

FL1205131490 Havana Tele Rebelde Network in Spanish 1100 GMT 12 May 90

[Text] Cuba has condemned the U.S. campaign of slander against Iraq. The United States unleashed this campaign in remarks it made to Israel.

Joel Domenech, vice president of the Cuban Council of State, spoke at the opening session of an international conference in Baghdad on solidarity with the Iraqi people. He rejected the aggressive policy of the Bush administration against Cuba and Iraq. Domenech also discussed the serious situation recently created by Washington with its anti-Cuban provocations.

While inaugurating the international meeting, S'adun Hammadi, first deputy prime minister of Iraq [title as heard], said that the emergence of a unipolar world requires nations to close ranks and increase coordination and solidarity.

Jose Machado Speech on Soviet Relations

FL1105140090 Havana Cubavision Network in Spanish 0131 GMT 10 May 90

[Speech by Jose Ramon Machado Ventura, member of the Politburo of the Communist Party of Cuba, PCC, at the 8 May ceremony marking the 30th anniversary of the restoration of Soviet-Cuban relations in the Universal Hall of the Revolutionary Armed Forces—recorded]

[Text] Comrade Fidel; esteemed Comrade Oleg Dmitriyevich Baklanov, secretary of the CPSU Central Committee and USSR people's deputy; distinguished guests of the Supreme Soviet that accompany him; esteemed Comrade Yuriy Vladimirovich Petrov, Soviet Ambassador to Cuba; comrades:

Today we commemorate the 30th anniversary of the restoration of relations between the Soviet Union and Cuba, a date of great significance to both our peoples. This celebration coincides with the 45th anniversary of the victory of the Soviet people in the great war of the fatherland, an immortal feat that not only liberated the USSR, but also liberated all of humanity from the yoke of facism.

For 30 years, our two countries have developed and consolidated extensive and productive ties of friendship and cooperation which have constituted an example for new types of relations of cooperation and respect between nations with different levels of development but with a similar and supreme objective, that of working for the construction of a more humane and just society—the socialist society. The history of the mandate that unites our peoples has profound and solid roots. One of the first and symbolic antecedents was the participation of Russian revolutionaries in the ranks of the Mambi army, defending the ideas that inspired the Great October Socialist Revolution, and the solidarity expressed by the first socialist state for the Cuban workers' movement at a time when the growing country of the Soviets faced difficult tests.

(Carlos Valim), the illustrious workers' leader, who, along with Jose Marti, was one of the founders of the Cuban Revolutionary Party, and who later became one of the founders of the first Marxist-Leninist Party of Cuba, said that the emergence and strengthening of the Soviet Republic represents a victory at the international level and the most important victory attained by a people in its history. (Valim) described its defense as a duty and an honor for the Cuban working class. He said he was willing to share his bread with his Soviet brothers. With the creation in 1925 of the first Communist Party of Cuba [PCC], the community of ideas between our peoples reached its highest point which reflected the willingness of the most advanced members of the working class to make the Marxist-Leninist ideas their own. It also reflected their support for the international workers' movement and socialism. He expressed the degree of maturity and organization attained by the Cuban workers under the influx of ideas of the Great October Socialist Revolution. Since then, the first Communist Party of Cuba established extensive ties of friendship with its Soviet brothers, which led to many expressions of workers' solidarity between the workers of Cuba and the USSR.

Immediately after the triumph of the revolution in January 1959, during the difficult days when the Cuban revolution began to confront the hostilities and growing aggressiveness of the U.S. imperialists, the decisive support and solidarity of the Soviet people became evident. With unity and the unfailing decision of our people to win or die, with the fraternal support of the Soviet people, and with international solidarity, we faced dangers and difficulties and were able to proceed along the socialist path, which also represents to us the only way of preserving our national sovereignty and independence for which several generations of Cubans have shed so much blood and sweat. Because of this, on a day like today, it is right to stress, as has already been said, that relations between the USSR and Cuba, are momentous, not just because of their material content, but because of their moral content and constitute an eternal example of fraternity, respect, and loyalty.

Cuban-Soviet cooperation during these past 30 years has been a key factor in the creation of the technical-material basis of socialism in Cuba since this practically includes all sector's of the nation's economy. In almost all spheres of our economic and social development, the solidary support of the Soviet peoples is present in several projects of vital importance for the country—in scientific-technical cooperation and in the highly skilled cadres that have been trained in that brother nation and who now confront complex tasks of all kinds, including the defense of our fatherland. The Soviet people and their glorious armed forces very opportunely extended their friendly hand to the Cuban revolution and supplied us, without charge, with the weapons with which our people have known how to use to defend the revolution over the past 30 years, from Giron to the present. Several Soviet professionals and technicians in our land have shared the struggle for the development in which we are involved. They have provided us with the best of their experience, knowledge, and efforts, and during difficult times, they shared the difficulties and danger with us, without hesitation, demonstrating their bravery and the integrity that corresponds to the most legitimate traditions of the Soviet people.

On this 30th anniversary, we pay tribute to the unselfish and anonymous work of all those people—scientists, designers, engineers, technicians, and workers of the Soviet Union, as well as the personnel of the maritime and aviation fleets—who, with love and dedication, have made possible the products destined for Cuba. They

have made possible the trade between our nations and have often played an important role during times that were crucial to our revolution. To all of them, on this day, we express our appreciation and send a warm and friendly greeting.

Thanks to the cooperation of the USSR and to the persistent efforts of the Cubans, our country has been able to advance considerably in its development and in several sectors of the economy. Many of these things, unknown prior to the triumph of the revolution, have reached an important level and have given encouraging results which have been converted into trade that continues to be more equal, extensive, and mutually beneficial for our peoples. Among the results of that cooperation, indicated here in general by Comrade Baklanov, it is necessary to stress that the enterprises constructed with the participation of the USSR manufacture more than 15 percent of the nation's gross industrial product, 100 percent of its rolled steel, 80 percent of its steel, 50 percent of its fertilizers, 70 percent of its nitrate fertilizers, and half of its mechanical industry production, including the KTP sugar combines which have substantially increased production and considerably humanized the work of the men involved in our primary industry. All this, and we haven't even mentioned that the USSR supplies almost all the fuel we consume. Also in the sphere of art and culture, our countries have had a vigorous movement that has allowed us over the years to mutually identify ourselves more, get to know each other, and enrich ourselves. We continue expanding our work in this area to make those binding ties more extensive and effective.

The development of our fatherland in the last few decades is irrefutable proof of the advantages of socialism. Cuba today has standards of living that are a far cry from those in countries that reflect the difficult situation in which the peoples of Latin America and the Third World are immersed. It is also an irrefutable truth that we have attained or exceeded the important socioeconomic indicators of developed nations, such as in the fields of health and education. There is, of course, much to do, and we are working on this with responsibility and enthusiasm, but above all, with a definite strategy.

Our people at this time are participating in an extensive and democratic debate of several aspects that are essential for the country's future. The party, through its call for its fourth congress, has called for a frank and open discussion and an analysis of the experiences and results of the work of all the institutions and organizations that comprise our society so that, with everyone's support, we can find ways and solutions to perfect our socialism in accordance with our own concepts and realities.

In this same effort, in the measure in which it directs this momentous process, the PCC works arduously to attain its own self-perfection so that it can be more capable each time of successfully fulfilling its leadership role in the edification of socialism, of which it has become worthy.

Comrades, the leaders of the CPSU, headed by Comrade Mikhail Sergeyevich Gorbachev, are involved in a complex and intense search for ways to perfect Soviet society. We study the experiences of the Soviet communists and workers with respect and profound interest. The results of their efforts will be decisive for the development of the world. We reiterate that we have confidence in the wisdom and firmness of the communists and of all the Soviet people and we very earnestly wish you success because we all need it. They need it; we need it; and all of humanity needs it.

Our customary enemies, the U.S. imperialists and their followers, think they see the end of socialism because of the events that have occurred in Eastern Europe and because of the difficult goals the USSR has undertaken. Because of this, they have reinforced, in an opportunistic manner, their pressures over Cuba and have attempted to use the differences between each country's respective processes for improving socialism in the historic context and within the particular situation of each country as a source of conflict between Cuba and the USSR. We reiterate our support for the Soviet Union's policy of peace because it is sincere and because it takes into account the interests, not just of the Soviet people, but also of all of humanity.

Nevertheless, in view of the latest events, we are concerned, as was justifiably expressed by Commander in Chief Fidel Castro, about the way the imperialists view peace. Up to now, their actions have indicated that they see peace as something that exists only for large countries while they prepare actions against small countries, like the invasion of Panama, their support for the bands of the UNITA [National Union for the Total Independence of Angola] and the rebels in Afganistan, the dirty war in Nicaragua, or the policy of aggression and hostility against Cuba, which most recently has been expressed by the ideological aggression through the television channel they have imposed and in the underhanded and dangerous coincidence of three large military maneuvers primarily directed against Cuba. These last two cases have received the resounding response of our people. Our enemies harbor hopes and plot schemes in regard to the existence of problems in our relations with the USSR. This, however, is only their wish. Our political will is more firm, resolved, and stronger today than ever before, as has been demonstrated with actions by the Soviet comrades and as we wish it to be. We have progressed toward a more extensive cooperation and have perfected it in all areas. This decision was endorsed in the treaty of friendship and cooperation between Cuba and the USSR which was signed during the historic visit of Mikhail Sergeyevich Gorbachev to our country last year.

In recent days, the 20th session of the Cuban-Soviet Intergovernmental Commission for Economic and Scientific-Technical Cooperation was successfully held. The Soviet delegation to the meeting was presided over by esteemed Comrade Leonid Abalkin. The 1990 trade and payment protocol was also signed at this time. The

protocol allows for a considerable increase in the supplies exchanged between the two countries and includes new trade items.

The relations that we have maintained over these past three decades are strengthened more each day. Our people, who profoundly appreciate the solidarity and assistance which they have always received from the Soviet Union, celebrate this new anniversary with satisfaction and they are pleased to receive these representatives and outstanding group of Soviet parliamentarians in our fatherland. The Cuban people reiterate their gratitude, understanding, and solidarity. We are very pleased to modestly, but concretely, express our appreciation by helping to rehabilitate young Afghan war veterans in our country, as well as help the children affected by the Chernobyl accident, a task in which we work enthusiastically with the assurance that they will receive the best medical attention, the most advanced treatment, and the most genuine affection of all the Cuban people.

Dear Soviet comrades: You will never see a Lenin monument knocked down in Cuba because those monuments were erected before and after the triumph of the revolution because of the admiration and respect our workers have in their hearts for the USSR. On the contrary, the best monument to our friendship grows and is getting bigger on our soil. It will be preserved forever by our people and will not be knocked down by anyone or anything because the foundation of this monument is based on principles and this monument is the work of the revolution itself.

Long live the friendship between the peoples of the USSR and Cuba! [Audience shouts: "Viva!"] Socialism or death! Fatherland or death! [Audience shouts: "We will win!"] [applause]

Chinese Delegation Arrives; Rodriguez Returns

FL1205120690 Havana Radio Rebelde Network in Spanish 1122 GMT 12 May 90

[From the "Haciendo Radio" program]

[Text] A CPC delegation, presided over by Wen Jiabao, alternate member of the CPC Secretariat, arrived in Havana a few hours ago. The delegation was received at the airport by Jorge Risquet, member of the Politburo of the Communist Party of Cuba [PCC].

In his initial remarks, Wen Jiabao said that he expects existing relations between Cuba and China to continue. He also expressed his satisfaction with the way the PCC leads the people in the construction of socialism.

Risquet also welcomed Carlos Rafael Rodriguez, member of the PCC Politburo, who returned from Cyprus on the same flight after attending the South Commission meeting in Cyprus.

The CPC delegation will be in Cuba until Friday, 18 May, and it will fulfill an extensive program that includes visits to areas of socioeconomic interest, meetings, and tours of Matanzas and Pinar del Rio.

Mandela Praises Castro, People for Contributions

FL1105155790 Havana Tele Rebelde Network in Spanish 1100 GMT 11 May 90

[Text] African National Congress leader Nelson Mandela has paid in Luanda a warm tribute to the Cuban people and Commander in Chief Fidel Castro for their contribution to the independence of Angola and Namibia. The antiapartheid struggler noted that Cuba is a small country but is richer than many others in the defense of human rights in the world. During a large welcoming event in the Angolan capital, Mandela added that he will visit Cuba someday to shake hands with Fidel and thank him for his contribution in favor of the freedom of the people of the African southern cone.

Escalona Meets UN General Assembly President

FL1205104590 Havana Radio Rebelde Network in Spanish 1012 GMT 12 May 90

[From the "Haciendo Radio" program]

[Text] Juan Escalona Reguera, member of the Central Committee of the Communist Party of Cuba and president of the National Assembly of the People's Government, has met with Major General Joseph Garba, president of the UN General Assembly. Garba, who is fulfilling an invitation extended by the Cuban Government, expressed interest in the process of those who exercise government functions.

The representative of the top organ of the Cuban Government briefed Garba on how delegates from all districts in the country are nominated and later elected through a genuinely democratic process in which the masses make the decisions. Escalona Reguera also mentioned the socioeconomic process under way in the nation for the purpose of building a socialist society.

Dominican Journalist Cited on Cuban Revolution

PA1105193790 Havana International Service in Spanish 0000 GMT 8 May 90

[Commentary by Lazaro Fernandez: "Foreign Media Opinon"]

[Text] Over the past few months, the world has witnessed virulent attacks and diatribes against the Cuban revolutionary process. A range of people, from politicians and political analysts to pen-pushers in The Hague, have stated that there is little possibility the socialist system adopted by the Cuban people will survive. The crises that have torn East European countries have made some believe that the Cuban socialist process is doomed to failure. These petty political hacks do not stop to think about the differences between one system and another, between the rectification and revolutionary reaffirmation process in Cuba and what has occurred in East

Europe. A few weeks ago, on this same program, it was stated that the Cuban revolutionary process was not imported from anywhere and it was not imposed by anyone. It was born and grew within the country and its strength is increased every day through Cuban efforts. However, let us hear Ramon Antonio Vera, a Dominican article writer for the newspaper EL NACIONAL, give his opinion on what is taking place in Cuba. He says:

We have always said that the Cuban revolution is the highest attainment of the Latin American and Caribbean masses in their striving toward social, economic and, political improvements this century. We have stated that it has not been, and is not at present, a perfect process; that its leaders, starting with Dr. [Fidel] Castro, have made mistakes in the management of the Cuban revolutionary process. However, we have also said that these errors do not invalidate them as honest, sensitive men and women who are attuned to their people's needs and to the best causes of nations that struggle for national liberation and full independence.

We have said that the Cuban revolution has to be seen, studied, and interpreted within the context of the situation that existed when it triumphed, the reality of the correlation of international forces over the past 30 years, the blockade that has victimized it and victimizes it still, and the colonial dependency and backwardness Cuba lived for years. To study the Cuban revolution—states Ramon Antonio Vera—we cannot use Poland, East Germany, Hungary, Bulgaria, Czechoslovakia, Romania, or the Soviet Union as examples. Cuba has very special characteristics as a country located in the Caribbean. Its revolution is the result of a process that was very different from those lived by European socialist countries. In addition, it must be taken into consideration that the Cuban Communist Party and Dr. Castro are very close to the Cuban masses.

Further on, article writer Vera tells us: The process that began in Cuba in 1959 has continued to develop according to the Cuban reality. No one can propose a new style brought from Europe, Asia, or Africa to them. The Cuban revolution has the merit of being the first to talk about socialism in Spanish and, up to now, has not told any country where the revolution has been victorious to change its language to Spanish.

The Dominican EL NACIONAL newspaper journalist adds: I want to stress that the Cuban revolution was not a gift from a foreign army to the Cubans. The Cubans themselves, weapons in hand, decided to end the oppression exerted by a minority. Further on, Vera notes: The true democrats, the responsible revolutionaries, the Christians who identify with the struggle of the poor, and sensitive men and women, must today keep their attention on events in Cuba because it could be that the destiny of all the nations in the current century is decided there.

On ending, he says: We have to openly say that the only place where a true revolutionary process exists today—with its rights and wrongs—is Cuba.

This has been our commentary on comments received in the foreign press.

30,000 Internationalists Withdrawn From Angola

FL1205124390 Havana Tele Rebelde Network in Spanish 1100 GMT 12 May 90

[Text] To date, more than 30,000 internationalist combatants have returned to our fatherland since last year. Another contingent of combatants returned last night after having fulfilled their duty on African soil. They were met at the airport by Pedro Miret Prieto, member of the Politburo of the Communist Party of Cuba Central Committee, Brigade General Wilfredo Rosales Alega of the Ministry of the Revolutionary Armed Forces, and Lieutenant Colonel Manuel Lama Gomez of the Interior Ministry, as well as other representatives of political and mass organizations.

The soldiers bear the For the Cuba-Angola Victory and the Internationalist Combatant, First and Second Class, Medals.

People's Marines Complete First Day of Training

FL1105212090 Havana Radio Reloj Network in Spanish 1932 GMT 11 May 90

[Text] The People's Marines of the Cuban Revolutionary Navy [MGR] are important in the fulfillment of defense missions and would be a determining factor in the dealing of a harsh blow to the imperialist enemy if it dares attack our socialist fatherland. This statement was made by Rear Admiral Pedro Perez Betancourt, alternate member of the Communist Party of Cuba Central Committee and MGR chief, after the completion of the first day of naval exercises conducted by the Central Army People's Marines off the northern coast of Ciego de Avila Province.

Perez Betancourt highlighted the activities conducted by the People's Marine companies participating in the training operations as well as those carried out by the EJT [Youth Labor Army], which included the planting of mines and simulated bridge and ship blowing-up operations.

The People's Marines maneuvers continue today, Friday, 11 May, as part of the third meeting of the Central Army's People's Marines experts. The People's Marines are training to acquire experience and combative readiness.

Barbados

Chinese Government Grants Interest-Free Loan

FL1205155290 Bridgetown CANA in English 1513 GMT 12 May 90

[Text] Bridgetown, Barbados, May 12, CANA—China is providing Barbados with a loan of BDS9.5 million dollars (one BDS dollar [Barbados dollar]-50 U.S. cents), the Government Information Service (GIS) here said.

Prime Minister Erskine Sandiford, now on an official visit to Beijing, signed the agreement on Friday [11 May] with Chinese Premier Li Peng. The interest-free loan will be used to finance projects a id for technical assistance and equipment from China. The GIS quoted Sandiford as saying that the agreement would provide Barbados with financial resources and would provide China with valuable export opportunities.

Sandiford also held talks with the General Secretary of the communist party Jiang Zemin. In his discussions, Sandiford said his government adhered to the principle of non-interference in the internal affairs of other states and recognised that there were other paths to development. "The general secretary agreed that the development strategy of each country is best suited to its own internal conditions," GIS said.

Sandiford and his delegation visited the coastal city of Xiamen, one of the special economic zones open to foreign investment in China, GIS added.

Dominican Republic

Balaguer Says Election To Be 'Absolutely Free'

FL1105180490 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 11 May 90

[Text] Dr. Joaquin Balaguer, president of the Dominican Republic, has emphatically said that the 16 May elections will be absolutely free. The chief of state thus has rejected accusations of alleged acts of fraud and he strongly asserted that there is no possibility of fraud or lies of any kind. The president said that the ruling party is winning throughout the Dominican Republic, but he felt that it is necessary for all members to unite to attain the most resounding success. The president made these remarks during a tour of the country.

Cayman Islands

620 Kg Drugs Seized; Cubans, Colombians Arrested

FL1105214590 Bridgetown CANA in English 2110 GMT 11 May 90

[Text] Grand Cayman, Cayman Islands, May 11, CANA—Two Colombian and two Cuban nationals were handed over to U.S. authorities in Miami this week as a result of a substantial drug seizure here Sunday [6 May], when 620 kilograms of cocaine with a street value of U.S. 124 million dollars was seized—an all-time record for the British colony, the government information service said Friday.

The seizure was effected by the Royal Cayman Islands Police [RCIP] in conjunction with the British Government and the U.S. Federal Bureau of Investigation (FBI). The arrest came at the end of a prolonged enquiry into drug traffickers' activities between Colombia and the United States.

On Sunday, members of the RCIP drugs squad, led by detective chief inspector Peter Burgess, arrested the four and two other suspects, both pilots and also Colombian nationals. The pilots are being detained here and have been charged with drug offences. They appeared in court Wednesday [9 May]. A twin-engine aircraft used to transport the cocaine was also seized by Cayman Island's authorites.

The operation was the latest example of the close cooperation between the authorities in the Cayman Islands and the United States in the international fight against drug trafficking, said the RCIP commissioner of police, Alan Ratcliffe.

Acting Governor Thomas Jefferson expressed appreciation for the work of the agencies involved and for the role played by the Royal Cayman Islands Police and, in particular, its drug squad officers.

Haiti

CEP Council Complete With 9th Member Chosen

FL1105192390 Port-au-Prince Radio Nationale in Creole 1300 GMT 11 May 90

[Text] The ninth member of the CEP [Provisional Electoral Council] is now known. The CEP is complete, announces a press release from the Ministry of Information and Coordination.

The executive has chosen Jean-Robert Sabala to fill the vacancy created within the CEP by the absence of Dr. Ernst Mirville, representative of the Haitian Journalists' Association, AJH—says a press release dated 10 May from the Directorate of Information of the Ministry of Information and Coordination. Thus, Jean-Robert Sabala is the final member of the CEP, which is now complete.

Former President Manigat Comments on Elections

FL1105222090 Port-au-Prince Radio Nationale in Creole 1300 GMT 11 May 90

[Interview with Leslie Francois Manigat, former president, by a private television station, as reported by Jean-Marie Ferrari on Tele-Haiti channel two, in Port-au-Prince on 9 May—italicized passages are recorded]

[Excerpts] Manigat commented on the Haitian situation, from his participation in the 17 January 1988 elections to the present. Jean-Marie Ferrari will give us a full report on that interview.

[Ferrari] [passage omitted] Manigat explained why he had participated in the 17 January elections. He said the CNG [National Government Council] was a constitutional government and he felt that a constitutional government's holding elections was completely normal, and that they had decided to take a chance on the elections. Let us listen.

[Manigat] *[passage omitted] I said: People of Haiti, understand this well. What will happen if we do not participate in elections? If the CNG has no one to hand power over to on 7 February, it will simply remain in power. Thus, that which you do not want to happen is exactly what will happen. Or, the CNG could be crafty enough to push its own person to run in the election—for you will always find someone willing to run—and then you will end up with an elected president supported by the CNG and the military. Because the minute a constitutional government holds an election, the election is valid. Thus, we said to ourselves: We had better take the chance. Or rather, more precisely, the risk—which is the word I employed—the calculated risk of running in the elections, because if we do not we will be creating a situation. And when I decided to run, after consultations with friends and after the party met and decided, etc....[changes thought] Then we reached our decision alone. And even the military, the military high command, did not learn that we were going to run in the election until we announced it on 30 December. Thus, this affair is absolutely clear.*

Now, regarding the elections themselves, those who criticize the elections are either of bad faith or do not know. It is not their fault if they do not know. But beware. If we are talking about political leaders, well, political leaders do not have a right to not know. The population might not know because, unfortunately, they were never given the elements necessary for them to understand. [passage omitted]

When people go and vote in an election, it is the results of the voting by the people who vote that yields the election's results. And this holds for all countries in the world. [passage omitted] The very president of the United States himself is elected by a minority of the population. [passage omitted] Thus, as long as people go out and vote and a result is proclaimed, the election is absolutely legitimate. On the other hand, when only 30 percent of the population goes out and votes, there is a little political problem. [passage omitted] The elected president must of necessity quickly gain the support of the people who did not vote, the part of the [passage indistinct]. Thus, I had a problem in that I had to broaden the support for the government in Haiti.

[Ferrari] Thus, Manigat feels the 17 January elections were completely legitimate despite the fact that only 30 percent of the eligible population voted. Today, things have changed; however. What is Manigat's opinion of the nation's situation? He said what is being done today should not be done. He said they should have adopted the constitutional solution, for he himself never resigned. Let us listen to Manigat.

[Manigat] *[passage omitted] If those men were responsible people, concerning the process of [words indistinct] that the country needs, they would adopt a solution that would be for the good of the country. One that would allow the country to get back on track. But what did they do? They shunted aside the constitutional solution. [passage omitted] The president never resigned. He was deported, in violation of the Constitution. The coup d'etat was unconstitutional and the deportation was unconstitutional. And the president never resigned.*

There is a great advantage in adopting the constitutional solution. First of all, the president returns to finish his mandate, which is important for a country. Important! While he finishes his mandate, however....[changes thought] And he promises to form a government of national unity. Take heed!....[changes thought] Meanwhile, he will create conditions in the country....[changes thought] Attack the fundamental problems but also create the political conditions so the presidential elections that will be held at the end of his mandate have other guarantees. That is, we would have enough time to organize, [words indistinct] new elections in Haiti.

[Ferrari] Manigat says he does not oppose Ertha Pascal Trouillot's government. Regarding the government and the Council of State, however, he says they call themselves constitutional—even if only temporarily—without basis and in an unfounded manner. Let us listen to Manigat again.

[Manigat] *Understand my position well. I would like you to understand it clearly because I am talking on the level of principles, not on the level of people. Because if I were to talk about people, not only do I have nothing against Ertha Trouillot but, in fact, when I learned that it was she who had become president, my first reaction was not unfavorable to her as a person. [passage omitted] I even think, and this is the position I have taken, that since she was chosen we must give her a chance to show what she can do. Thus, as you can see, this is an honest, patriotic position.*

This was not our solution, however, as everyone knows. Our solution is that the constitutional president should return, to [words indistinct] and set the country back on track. Because the political decision was made, however, to drop what the Constitution asks to install a combination solution, well, if that is what the combination gives us, let us give it a chance to see how far it can take the country to see if it can really orient the country toward a process of democratization. All right. Fine.

Now, with this said, [passage indistinct]. [passage omitted] They skipped over the president of the Court of Cassation because he was not politically acceptable to them. They were unable to get the vice president to take

the job. So they chose a member of the Court of Cassation. This is what is called playing politics. [Sentence indistinct]. Now, [words indistinct] on the political scene. But by what right? On what basis? None! No right at all! Understand this well. Your solution is no longer based on any norms or principles. [passage omitted]

[Words indistinct] the Assembly for Concerted Action, etc. were given attributions. The president was given certain attributions. The Council of State, which they picked and chose also has specific attributions.

AFP Analysis of Election Situation Cited

FL1205000390 Port-au-Prince Radio Nationale in Creole 1300 GMT 11 May 90

[Excerpts] In an analysis of the Haitian situation, AFP special correspondent Edouard Pons [name as heard] has reported that the Haitian political class has much confidence regarding the organization of the next elections in Haiti and particularly regarding the provisional president's and Army's willingness to have elections held normally. Haitian provisional president Ertha Pascal Trouillot granted Pons an interview. We will read the AFP analysis for you. [passage omitted]

For the first time since president-for-life Jean-Claude Duvalier fell from power in Haiti on 7 February 1986, no one in Haiti doubts that the provisional government has a real desire to organize credible elections in Haiti. [passage omitted] Some people, however, are a bit uneasy about the atmosphere of brutality in Haiti, as well as about the influence certain advisors from among the Duvalierists—people who are against change in Haiti—allegedly have on the president. [passage omitted]

Also, the Army High Command has been greatly weakened by four years of military governments, coups and countercoups, rebellion after rebellion, and reshuffle after reshuffle within the Army. The Army High Command seems to wish to play the democratic game, and Army commander in chief, General Herard Abraham, continues to be trusted by the political parties in Haiti. The AFP analysis says, however, that according to observers, not all Army officers share Abraham's convictions. [passage omitted] There have been several recent incidents that show that Gen. Abraham's orders are not always respected and that the troops are bordering on insubordination—to echo a diplomat's words, says AFP.

While most political parties believe there will be elections, Communist leader Rene Theodore says he is sure of nothing. Many doubts as to security conditions persist and this will determine the degree of participation, says Rene Theodore, leader of the Unified Party of Haitian Communists.

The analysis adds that the wave of crimes and acts of banditry in Haiti increased after Trouillot came to power, particularly in Port-au-Prince where no one goes out into the streets the minute the sun goes down. People blame these crimes on the macoutes, who were closely linked to Duvalier. [passage omitted]

The population is not willing to go to elections if its security is not guaranteed and the assurances of security given by the government or by the 7,000-man Army do not suffice to guarantee this security. The population is not willing to go to elections if its security is not guaranteed, says this analysis, concluding: According to the political parties, only a massive presence of foreign observers in Haiti, or the formation of disciplined electoral brigades, can reassure the population during the holding of the coming elections in Haiti—which, in an interview she granted AFP's special envoy Pons, Trouillot said will be held by September at the latest.

AHP Critical of New Administrative Positions

FL1105173890 Port-au-Prince Radio Nationale in Creole 1300 GMT 11 May 90

[Text] The AHP, Haitian Press Agency, reports that new positions have been created within the government administrations. AHP says these positions constitute a kind of contradiction.

Many observers who are closely following events in Haiti say the creation of new positions within the public administration is in clear contradiction to the statements made by the president of the Republic and the minister of economy and finance regarding the nation's economic situation. As proof, these observers point to the reopening of the Citizens' Grievances Office, a creation of General Prosper Avril which did not fulfill its mission. They ask where the materials and other property that were at the service of the former coordination office have gone, and say they feel this institution has no business existing under a provisional government. They say this is a way to drain off the government's resources, which are already meager, at a time when people in the four corners of Haiti are complaining that they are hungry.

In separate statements to the press recently, both the president and the minister of finance declared that the government coffers are empty and that they have to take emergency measures to stop the waste of government resources.

That was AHP, Haitian Press Agency.

Two New Sociopolitical Organizations Formed

FL1105174890 Port-au-Prince Radio Nationale in Creole 1300 GMT 11 May 90

[Text] In a letter addressed to the Haitian nation, Louis Arnault Guerrier, former Social Affairs minister under President Prosper Avril, announces that he has formed a new organization called Haitian Civic Action Movement [Mouvement d'Action Civique Haitien], MACH. According to Guerrier, this organization will be a democratic instrument for mobilization, civic education, and participation in public affairs by all sectors of the

national life and the social classes most affected by poverty. It was decided to create MACH with the help of [a la faveur de] the neighborhood committees, the community councils, and the committees struggling against poverty, a poverty which affects three-fourths of the population of Haiti—explains the signer of this letter, Louis Arnaul Guerrier, a former social affairs minister.

Another sociopolitical organization has also been formed: the Unified Movement of Rejected Militants [Mouvement Unifie Militants Bafoues] MUMB. Its objectives are: to have justice shine for everyone in Haiti, a national understanding [antant nasyonal], and to demand the participation of a greater number of people in the management of the nation's affairs. This new organization is headed by Pierre Jacques Saint-Lot.

EDH Union 'Threatening' Total Strike 14 May

FL1105192790 Port-au-Prince Radio Nationale in Creole 1300 GMT 11 May 90

[Text] The crisis that has been affecting activities within Electricite d'Haiti [EDH, the national electric company] for some time now continues to provoke much stirring within that institution. The employees' union, which is asking for a wage increase and redress within the company, is also demanding that the general director be sent into retirement.

The union is threatening to begin a strike next Monday [14 May] that could involve a total halt in production. Thus, the situation could become even more serious if negotiations come to nothing following the lifting of the current work stoppage which is scheduled for tomorrow.

Thus, there is currently a work stoppage in EDH, as well as in Teleco [Telecommunications d'Haiti, the national telephone company].

Union Suspects Cover-Up in Minoterie Shutdown

FL1105175790 Port-au-Prince Radio Metropole in French 1600 GMT 10 May 90

[Excerpts] [passage omitted] Less than 24 hours after the Haitian Government shut down Minoterie d'Haiti [the national flour mill], the plant's union committee condemns this decision.

Restructuring without a consensus is not in keeping with administrative openness. That is the position of the Minoterie d'Haiti's union following the decision by the ministers of commerce and of finance to shut down the Lafiteau plant.

Minoterie's union committee has nothing against the idea of restructuring. However, it reproaches the ministers of commerce and finance for acting like feudal lords, without negotiating with other sectors affected by such a decision. [passage omitted]

Regarding the minister's explanation as to why Minoterie was shut down, the president of the union committee thinks the minister used a word that is very fashionable these days, restructuring, to sabotage the light being cast on a matter that is causing a stir at Minoterie.

[Begin union committee president recording] [passage omitted] Regarding the dismissal of the director, without getting into personal considerations, the dismissal is not justified according to the information we have because the administration in place had begun casting some light on a number of dossiers. There are a number of dossiers—important, very hot, dossiers—that we had begun to find. I myself personally wonder if it is not precisely because these dossiers were too hot that they hastened to shut down the plant, (?because there were) a number of proteges [moun pa] involved. I mean, there was a matter of $1.3 million that the Minoterie seized. The governor of the [central] bank, especially, has been pressuring the Minoterie for a long time now because that money should not be taken in. If the Minoterie takes in the money, there could be other bigshots implicated in the matter. [end recording] [passage omitted]

Jamaica

Finance Minister Reports Expansion of Economy

FL1205003090 Bridgetown CANA in English 2324 GMT 11 May 90

[Text] Kingston, Jamaica, May 11, CANA—The Jamaican economy expanded by 4.6 percent during the 1989-90 financial year, with the mining and quarrying, construction and installation, and finance and insurance services sectors attaining double digit increases—39 percent, 19.3 percent, and 15 percent respectively.

"Growth was associated with strong private sector investment within the construction industry, together with an expansion in exports of goods and services," Finance Minister Seymour Mullings told Parliament.

Manufacturing and other service sectors, including tourism also performed well above average, he said, recording about 7.7 percent growth, while agriculture continued to record negative growth for the fourth time in five years, declining 4.3 percent.

The inflation rate last year was 14 percent, the minister said, but the Consumer Price Index (CPI) which tracks the expenditure of low to middle income consumers showed an increase of 17.2 percent on a point-to-point basis. He said the differential in rates of change was due to the varying impact of the removal of price subsidies from certain basic goods items during the year. The twelve-month inflation rate, which had been 11.8 percent for financial year 1988-1989, rose to 20.4 percent in 1989-90.

Mullings said that based on preliminary figures, exports could reach U.S. 1,073 million dollars for the year, which

would suggest a growth of U.S. 225 million dollars or 27 per cent over the 1988-89 figure of U.S. 848 million dollars. This, he said, reflected increases in most of the major export commodities. He added that there was a significant increase of 37.5 per cent in the value of bauxite and alumina exported, largely reflecting the reopening of the Alpart plant in early 1989 and the upturn in the international industry, which also resulted in higher prices.

Mullings said alumina exports grew by 38.3 percent to U.S. 432 million dollars, while bauxite sales abroad expanded by 19.8 percent to U.S. 125.7 million dollars.

The minister said that the banana industry, which had recovered from the effects of Hurricane Gilbert, earned an estimated U.S. 35 million dollars, while non-traditional exports increased by 10 percent with the Caricom [Caribbean community] trade recording a growth of about 25 percent.

Tourism, which remained the country's major foreign exchange earner grossed estimated earnings of U.S. 595 million dollars, Mullings said, compared with U.S. 497 million dollars in 1988-89, reflecting a 20 percent rise. Intensified promotional activities and the restoration of existing facilities after Hurricane Gilbert resulted in increases of 16.2 percent in stop-over visitors and 15.7 percent in cruise ship passengers and Armed Forces visitors.

Mullings said that the targetted improvement in net reserves of U.S. 195 million dollars in the balance of payments was not attained, as there was a deterioration of U.S. 95 million dollars. The minister lamented the 16.3 percent increase in the recurrent expenditure proposed for the 1990-91 financial year and urged government ministries and departments to eliminate waste and conserve "as never before." For 1990-91, he said, the overall public sector deficit will be limited to 4.4 percent of Gross Domestic Product (GDP) as against 6.4 per cent in fiscal year 1989-90.

Mullings noted that recurrent expenditure had increased, while there had been a reduction in capital spending, and felt it was not a good trend.

"This 16.3 percent increase (in the recurrent expenditure) has to be watched carefully and strategies have to be developed to seriously contain the growth in recurrent expenditures within manageable limits," the minister said.

He added that the biggest charge on the recurrent budget, which amounted to just over 7.1 billion dollars, was interest payments of 2.4 billion dollars, or 35.2 percent of the total net recurrent estimate—slightly less than the revised provision of 2.1 billion dollars for interest payments last financial year.

Looking at Jamaica's debt picture, Mullings said on the capital side of the budget, some 1.8 billion dollars or 46.5 percent of the total capital expenses went to loan repayments and sinking fund contributions. This year, some 4.4 billion dollars or 39.3 percent of the total national budget of 11.1 billion dollars, was earmarked for debt servicing.

Mullings, who did not impose any new taxes, said the budget would be financed from tax revenue of 7,318 million dollars, non-tax revenue of 480 million dollars, transfers from the capital development fund of 355 million dollars, capital revenue of 832 million dollars, external loans of 1,782 million dollars, and domestic loans of 350 million dollars.

He said that to supplement revenues, government would increase the tax on cruise ship passengers from J 22 dollars to J 42 dollars effective July 1. This is estimated to yield some 7.3 million dollars in this fiscal year.

He noted that 77 percent of the budget would be financed from revenue sources and 23 percent from loans. Capital government savings of 1.1 billion dollars would be applied to total capital budget of 4.1 billion dollars, including amortization of 1.9 billion dollars.

Critical to the current International Monetary Fund (IMF) standby agreement was the elimination of balance of payment arrears by March 1991, he said. Mullings said the external current account deficit was targetted to decline from 8.3 percent of GDP in 1989-90 to about 3.5 percent of GDP in this financial year.

Pope Leaves Mexico City for Vatican via Curacao

PA1305161790 Mexico City NOTIMEX in Spanish 1507 GMT 13 May 90

[Text] Mexico City, 13 May (NOTIMEX)—Pope John Paul II left here today at 0908 aboard an Aeromexico DC-10 flight en route to Curacao, from which he will travel to Vatican City.

The pope was seen off at the presidential hangar of Mexico City's international airport, where he arrived at 0830, by Foreign Secretary Fernando Solana Morales and Agustin Telles Cruces, personal representative of President Carlos Salinas de Gortari.

Apostolic Delegate Geronimo Prigione and the country's bishops and archbishops were also there to bid him farewell at the airport after his pastoral visit of eight days.

The pope stated at a moving ceremony that "I leave my heart in Mexico." Later, the foreign minister bade him farewell on behalf of President Carlos Salinas de Gortari and called him "John Paul II, friend of Mexico."

The pope boarded the aircraft amid the playing of mariachi music to the tune of "The Swallows." The plane was modified to allow the pope to travel comfortably. From Curacao, where he will spend seven hours, the pope will fly back to Vatican City.

El Salvador

Colonel Fuentes News Conference on FMLN, Talks

PA1305195990 San Salvador Radio Cadena Sonora in Spanish 1700 GMT 8 May 90

[News conference by First Infantry Brigade Commander Colonel Francisco Elena Fuentes with unidentified reporters in Apopa; date not given—recorded]

[Text] [Fuentes] There is an ongoing campaign, which we had expected, against the Armed Forces. I believe that they even delayed it, because they began it as soon as we suspended the state of siege. The FMLN [Farabundo Marti National Liberation Front] and certain people are levelling childish accusations against members of the Armed Forces.

[Reporter] This communique states that the attitude of President Cristiani and certain military men—Major Chavez Caceres is especially mentioned—is to a certain extent warmongering, because they are talking about maintaining the war should aid from the United States be cut.

[Fuentes] The FMLN attitude is the warmongering one. As you might recall, the FMLN has been saying that it would commit no aggressions against civilians. However, on 1 May you witnessed the aggression against several areas of the capital, especially against civilians.

[Reporter] Colonel, when you claim that there is a campaign against the Armed Forces, do you mean that Colonel Ochoa Perez is part of that campaign?

[Fuentes] His statements within that campaign were perhaps improvised. Or perhaps he failed to weigh the consequences of his statements. At any rate, they have come just at the right time in support of accusations against the Armed Forces.

[Reporter] Could this mean that Arena [Nationalist Republican Alliance] and the Armed Forces are splitting?

[Fuentes] This is a political matter, and I know nothing about the situation in the parties. What I can tell you is that the military is united, monolithically united, and there are no divisions in it. I can even state that there are no traitors in the institution, as alleged in some statements that are circulating. We believe the several pamphlets that carry these statements have been issued by the FMLN, and it is not the first time such statements have been circulated. If you read these famous communiques, you will note that the vocabulary in them is the same vocabulary used by the FMLN.

[Reporter] Could this campaign harm the Armed Forces?

[Fuentes] Sincerely, we do not believe we will be harmed at all. We know it is a campaign against us, but we also believe that all those who are in favor of the Armed Forces will understand our position, what we have done, and what we have to do.

[Reporter] [Words indistinct] the Armed Forces to combat the rebels' actions?

[Fuentes] We are doing our job. We are doing the job we normally do. We are complying with the tasks assigned to us by the Constitution, as we have always done.

[Reporter] Colonel, regarding the dialogue process, do you see possibilities for it to be carried out, especially now with the mediation of the UN secretary general? Can the Salvadoran people expect an agreement shortly?

[Fuentes] Well, I trust that the dialogue will take place and that we can attain true peace. The only thing I do not believe in is the FMLN's honesty. I repeat, they had stated that everything was going to be peaceful, and you are witness to what occurred on the night of 1 May, when they again attacked the civilian population.

[Reporter] However, the UN secretary general's representative stated that these actions were normal considering that the war is still ongoing, and that an agreement had been reached. He added that this showed the urgent need for an agreement.

[Fuentes] I had not heard that they agreed that the FMLN could attack the civilian population [words indistinct].

[Reporter] Is there a possibility of peace, or do you believe peace is impossible?

[Fuentes] I believe that peace is possible. We must only ensure that these gentlemen act in an honorable manner. I believe that the people will applaud them if they do.

[Reporter] Maj. Chavez Caceres said that it will be difficult to reach a solution at the upcoming dialogue-negotiation because the fighting groups are not under the specific direction of the FMLN, as the FMLN leadership acknowledged in Mexico. The FMLN does not control the rank and file. What do you think of this? Do you believe that the conflict can really be resolved?

[Fuentes] It can be. Uncontrollable groups will emerge because, on the same day that the FMLN leadership said in Mexico that they would avoid attacking the civilian population and, primarily, would stop burning buses and such, you may recall that a group of terrorists arrived in the city of Alegria and the leaders of the group said that they would not pay attention to the leaders in Mexico.

[Reporter] Do you think a solution is possible despite this situation?

[Fuentes] Yes, I believe so. What I cannot say right now is whether or not there will be dissident groups that disagree with what the FMLN's top leaders are doing.

[Reporter] Would this be the case even if the FMLN becomes a political party, which, I understand, is its plan?

[Fuentes] I believe the FMLN is already a political party. I do not think that the Democratic Convergence has broken its union with the FMLN-FDR [Revolutionary Democratic Front]. I believe that the FMLN already has a political wing that will undergo the test of elections.

[Reporter] Who is promoting this campaign of aggression against the Armed Forces?

[Fuentes] The FMLN.

[Reporter] What other sector?

[Fuentes] Thus far I believe it is only the FMLN and all of its organic, national, and international organizations, as well as its many front organizations that have continued the campaign against the Armed Forces.

[Reporter] What front organizations?

[Fuentes] The usual ones.

[Reporter] Colonel, some political parties say that this is the year of negotiation and next year will be the year of peace. Do you believe (?this is an accurate assessment)?

[Fuentes] I hope so. I hope that this will happen for the good of the Salvadoran people.

[Reporter] Colonel, do you have any comments concerning the possibility of a union or rather a balancing out of the Central American armies, which has been discussed on other occasions?

[Fuentes] The truth is that this would have to be considered, and then the members of the high command would have to address the issue. I have no knowledge of any arrangements at that level.

[Reporter] What is the high command's position regarding a possible reduction in military aid?

[Fuentes] I believe that the high command has already commented on this. Their position is that we must not be concerned. The Armed Forces will always exist and (?will be maintained) in El Salvador.

[Reporter] Colonel, are you optimistic or pessimistic concerning reaching peace within the short term?

[Fuentes] I am very optimistic. Sincerely, I feel very optimistic. The only thing is, I repeat, that we must be very alert to ensure that the FMLN behaves honorably.

Details of Government-FMLN Dialogue 'Wrapped Up'

PA1105220290 San Salvador Radio Cadena YSU in Spanish 1818 GMT 11 May 90

[Text] The meeting between President Alfredo Cristiani and Alvaro de Soto, the United Nation's special envoy to Central America, ended just a few minutes ago.

Justice Minister [as heard] Oscar Santamaria, Colonel Juan Martinez Varela, and Dr. Danilo Escobar Galindo, all members of the government's dialogue commission, as well as Dr. Hector Contreras and Dr. Abelardo Torres participated in this meeting.

As we reported earlier, the participants discussed a proposal sent recently by the Farabundo Marti National Liberation Front [FMLN] to the government. President Cristiani reportedly gave the government's official counterproposal to Dr. Alvaro de Soto.

According to President Cristiani, the proposal and the counterproposal differ on various points. President Cristiani has noted that one of the four points in the official counterproposal concerns a schedule for ending the armed conflict.

The official spokesman for the Presidency would not comment on any other point, respecting the confidentiality pact signed by the government and the FMLN in Geneva on 4 April.

The details of the dialogue, scheduled for 16 May in Caracas, between the delegation of President Alfredo Cristiani and the FMLN rebels were reportedly wrapped up this morning.

According to reports, everything is set for the start of the dialogue between the government and the FMLN.

Peace Talks Set To Resume

PA1405034090 San Salvador LA PRENSA GRAFICA in Spanish 12 May 90 p 5

[Text] Direct negotiations between the government and the FMLN will begin on 16 May in Mocuto, a village near Caracas, the capital of Venezuela.

[UN representative] Alvaro de Soto met yesterday with President Cristiani and the Government Dialogue Commission to analyze the latest communication received from the FMLN.

Dr. De Soto is the representative of UN Secretary General Javier Perez de Cuellar. The United Nations has used its good offices to encourage the FMLN to resume peace talks.

In 1989 the government commission met with the groups on two separate occasions; in Mexico in August and an October meeting in Costa Rica, but when the third meeting was set to begin in Caracas, the FMLN launched an offensive against the capital in November, breaking off those negotiations.

Only Dr. De Soto can act as spokesman, because the United Nations is the organization making the talks possible.

The government commission consists of Dr. David Escobar Galindo, Hector Hernan Contreras, Abelardo

Torres, Oscar Santamaria, Colonel Juan Antonio Martinez Varela, and this time, Colonel Mauricio Ernesto Vargas will also take part.

The FMLN has expressed its desire for Colonel Rene Emilio Ponce to be the person to represent the military because he is head of the Joint Chiefs of Staff, and, therefore, the person best suited to negotiate.

The FMLN also expressed its pleasure at having Col. Vargas join in the talks, because, according to them, this directly involves the other warring side in the talks.

Government, FMLN 'Prepared'

PA1205045090 San Salvador Canal Doce Television in Spanish 0313 GMT 12 May 90

[Text] UN special envoy, Alvaro de Soto, admitted today that it will be difficult to end the war in El Salvador. However, he pointed out that he is encouraged by a number of circumstances that favor a solution of the conflict. De Soto also confirmed that the government, as well as the guerrillas, are prepared for a direct meeting on 16 May in Caracas.

[Begin De Soto recording] A direct meeting has been agreed upon and it is scheduled to begin on 16 May in Venezuela. I believe that everything is set for the meeting to go well. [end recording]

De Soto met recently with the rebel commanders in Mexico, and this afternoon with President Cristiani to put the finishing touches on the agenda the two sides will follow during their dialogue in Caracas, Venezuela.

The ranking UN official said that even though it will be difficult to end a war that has lasted over a decade, he is encouraged by the optimism displayed by the FMLN and government concerning the attainment of peace.

[Begin recording] [De Soto] There are opposing forces, there is a great deal of distrust and resentment, and so much blood has been shed that it will be difficult to end the war. Despite this, however, I am encouraged by a number series of circumstances that are favorable to the conflict's solution. It is not necessary to outline these circumstances because everyone is aware of them.

[Unidentified reporter] Doctor, the Geneva document refers to the participation of the country's political parties and social forces. How will these groups participate in the dialogue and negotiation process?

[De Soto] There are four paths through which the political parties and social organizations can participate in the general effort to attain peace. One of them is to establish contact with the government; another is to establish contact with the FMLN; the third path comes through a joint decision by the government and FMLN to invite these organizations or parties to participate in the direct meetings; and the fourth path is to contact the UN secretary general or his representative.

[Reporter] Will the Catholic Church participate in the Venezuela dialogue or will the United Nations participate alone?

[De Soto] At this time the only plan is for the government, the FMLN, and UN secretary general's representative to participate. [end recording]

Because of a confidentiality agreement, Dr. De Soto did not disclose the topics to be discussed in Venezuela. He said that direct meetings will only be a part of the process; later, there will be direct consultations between UN Secretary General Javier Perez de Cuellar, President Cristiani, and the rebel command. De Soto also gave assurances that there is no time limit on this first dialogue between the FMLN and the government.

Vargas on Upcoming Talks

PA1305180690 San Salvador Canal Seis Television in Spanish 0200 GMT 12 May 90

[Text] Colonel Mauricio Ernesto Vargas, Armed Forces representative in the Government Dialogue Commission, has said that everything is ready for the resumption of direct talks with the FMLN on Wednesday, 16 May. He also said that negotiations are the only path to peace in El Salvador.

At the conclusion of a meeting with UN representative Alvaro De Soto this morning, Col. Vargas said that the peace process is encouraging and creates hope, and he stressed that negotiations are the only way for the government and the FMLN to reach agreements.

[Begin Vargas recording] It is a logical and viable process, and there is willingness. I believe that there is a real conviction that dialogue is an adequate path. In that regard, I see that there is great optimism. However, that optimism, maintaining the faith and hope that things will go as we all want, must also be tempered with the realism. [end recording]

Col. Vargas said that everything is prepared for the talks scheduled for 16 May in Venezuela. He noted that some details on the agenda are still pending.

[Begin recording] [Vargas] The agendas must be put together. We cannot go with different positions. We must reconcile positions.

[Unidentified reporter] Will a partial agreement be signed regarding the Armed Forces?

[Vargas] Well, it is all part of an overall plan, and therefore we must wait for future actions and developments. I do not believe we can predict anything. We must have faith. People must have faith that we are firmly determined to work for peace and to have the FMLN join the democratic process and our country's political life. [end recording]

Col. Vargas and the other members of the commission, as well as UN delegate De Soto, have maintained secrecy

regarding the points to be discussed during the negotiations. However, it has been said that one of the main partial agreements to be signed in the next meeting could be a cease-fire, as well as some reforms in the judicial and electoral systems.

It is the first time since the peace talks between Alfredo Cristiani's government and the rebels began that a military commander will directly participate in the negotiations, as in the past the Army only participated in the process through advisers.

Army Reports 16 FMLN Dead in Recent Clashes

PA1205043490 San Salvador Canal Doce Television in Spanish 0356 GMT 12 May 90

[Text] The Farabundo Marti National Liberation Front [FMLN] has suffered 16 casualties over the past few hours during clashes in La Union Department. The 3d Infantry Brigade reported the death of 16 insurgents following an armed clash in the jurisdiction of Yucuaiquin, where the troops had discovered a guerrilla camp.

Meanwhile, peasant Miguel Angel Arevalo died this morning from injuries he sustained yesterday when an abandoned mine detonated in San Isidro, Cabanas Department. It has also been announced that FMLN rebels have kidnapped Air Force Corporal Jose Angel Rosales, who was on leave in Suchitoto.

Guatemala

Condeg Leader Solis Kidnapped in Guatemala City

PA1105145590 Guatemala City EL GRAFICO in Spanish 6 May 90 p 3

[Text] Luis Miguel Solis Pajarito, the sole survivor of several brothers, and leader of the National Council of Displaced Persons of Guatemala (Condeg), has been kidnapped while on his way to the organization's headquarters in the Ciudad Real neighborhood, Zone 12, of Guatemala City.

Solis was kidnapped at 1830 on Thursday, 3 May. Condeg has said that his brothers were murdered.

Condeg placed the blame for the kidnapping on the country's repressive forces which, it said, are responsible for murders, the burning of homes in our communities, and persecution, of which we are the victims after having been violently expelled from our lands and towns.

The council asked for the government's assistance in finding Solis and protecting him. It also asked the Congress to enact legislation to stop the criminal persecution of people's organizations.

Human Rights Attorney Says Violations Continue

PA1305190890 Panama City ACAN in Spanish 2131 GMT 9 May 90

[Text] Guatemala, 9 May (ACAN-EFE)—A Guatemalan human rights attorney, Ramiro de Leon Carpio, warned today that days of "great social unrest are expected in the nation," and added that human rights violations have continued.

During a meeting with members of Congress, the human rights attorney said that he has suspended a trip to the Far East because he feels that his presence will be necessary in Guatemala in the coming days, which he termed as "difficult."

The human rights attorney visited Congress to meet with the parliamentary members on the Human Rights Commission, to whom he explained the issues discussed with President Vinicio Cerezo during a television interview.

Last week, during the official television program "Let's Talk," the attorney outlined the difficult economic, political, and social situation that Guatemalans are withstanding and demanded a solution from the president.

De Leon pointed out: "I have yet to receive a reply from the president on the issues which were brought up."

According to the attorney, "difficult days of social unrest lie ahead because grave human rights violations have continued. My presence here is necessary, and I cannot abandon my people," he stressed.

Deputy Miguel Montepeque, of the opposition Solidarity Action Movement (MAS), confirmed that the upcoming election campaign is turning "violent." He added that some political parties act with arrogance and lack of respect toward others, and this causes reactions.

The parliamentary member said: "During the tenure of Lucas Garcia (Guatemalan president 1978-1982), assassinations and kidnappings were a daily occurrence, and, at the rate we are going, we are afraid that these kinds of actions will occur again."

The parliamentary member said that the 4 November electoral process could be affected if this happens.

On Monday, 6 May, unidentified persons attacked a group of Union of the National Center (UCN) politicians by throwing a fragmentation grenade which injured four persons in San Andres Itzapa, southwest of the capital.

Last week the residence of right-wing opposition candidate Manuel Ayau, of the National Liberation Movement (MLN), was also attacked. The attack, which injured no one, was condemned by several groups that are afraid that violence may obstruct the election process.

Four Soldiers Killed by Guerrillas in El Peten

PA1105130390 Guatemala City PRENSA LIBRE in Spanish 5 May 90 p 6

[Text] Army spokesman Colonel Luis Arturo Isaacs Rodriguez said in Guatemala City that four soldiers, including an officer, were killed and five others were wounded when guerrillas ambushed a Civilian Affairs Unit traveling to a small community in El Peten, where they were to work.

Isaacs Rodriguez explained that the Civilian Affairs Unit was ambushed in "Las Pozas," which is located in a remote region of El Peten Department. The guerrillas fired Chinese-made RPG-7 rockets, then fled.

Column Discusses Political 'Fan Project'

PA1105175090 Guatemala City PRENSA LIBRE in Spanish 6 May 90 p 3

["The Indiscreet Peephole" column by Edmundo Deantes: "Fan Project"]

[Text] Political plans are always set in two directions: the achievement of power and the struggle to maintain it.

Consequently, no one should be surprised when a political party that gains power makes every necessary effort to maintain that power. One of many political philosophies is that the attainment and maintenance of power are politicians' sole purposes, and someone defined politics as "the art of achieving power and holding on to it."

It is clear, nevertheless, that although some politicians consider themselves "artists" and others, who have studied the subject in-depth, rate it as a true science, politics continues to grow by "spontaneous generation" in our society, like a wild plant whose fruit has no "owner" or "title" to give it legitimacy, and it becomes the object of a three-knockdown fight with no time limits or referee between figures who have made politics their leading and, at times, only sport, if I may say so as a professional, since—with or without masks—they seek considerable economic compensation for their actions at the expense of "the respectable."

Because of this, when the famous "Fan Project" came into my hands, I was not in the least surprised by its contents, although I must point out that by the manner in which it is edited, I could see that the petulance of "technocracy" has already penetrated the selfish world of our shrewd politics.

The intentions of future plotters of plans such as these are no different from those of the individuals who used to plot them with the convincing support of rifles or machineguns, and their goal is still the same: to attain power and/or maintain it. In this case—as a significant note of civilized progress in Guatemala's political negotiations, which are marked by a peculiar "I want it all for myself"—the alleged agreement has a peculiar characteristic besides its "technocratic" editing: the incredible proposal of sharing power. The famous plan has been widely commented on , but no one, until now, had been able to publish it.

Mr. Edmundo—said the bearer of the document—I will leave this "very venomous snake" so that you can see it; and indiscreet as this column is, I placed it in front of the peephole so that all of us could share it:
Fan Project
General Considerations:

1.1 The "Fan Project" is the result of an historic agreement, which was reaffirmed in December 1989 between our two political groups, for the specific purpose of consolidating, for the next five years, the political plan which we initiated in 1986 to reaffirm democracy and achieve full national development.

The top leadership of our two organizations placed their "strategic group" in charge of the plan, in charge of preparing a basic document that would serve as a reference and general guideline for the activities that we must carry out until the electoral process' culmination in December.

Although the strategic group was limited by two factors—a lack of needed logistic support because of the confidentiality of the plan, knowledge of which was to be restricted, and because a deadline for its presentation was established—I believe that this document faithfully reflects the concepts and concerns that the high leadership had outlined for us, and which we have called "Fan Project," in remembrance of its origins.

Upon analyzing the situation, the group thought it would be best not to delve too deep into conceptual ideological considerations that could deviate or detract from the true objective of this partisan relationship: to make a harmonious, concerted effort in keeping with the guidelines pointed out by the high leadership.

1.2 On the basis on these brief considerations, I believe that we should start by clearly defining the basic concepts that are to regulate our political logistical development and the points of agreement that exist between our two organizations. These basic concepts will serve as a launching pad for the entire project's realization.

That is why we feel it is important to give relevance to these concepts, although we must point out that—as agreed by our leaders—each group will retain its own profile before the electors. They will minimize, however, any possible differences that may have to be made public for strategic reasons, depending on the progress of the project.

In defining these concepts, we have observed the following basic points:

1. The project will begin on 31 March or the date on which the DCG [Guatemalan Christian Democracy Party] holds its national convention.

2. The main enemy for us to defeat is the UCN [Union of the National Center].

3. Within the overall framework, the DCG will make use of its sphere of influence in the government and in the rural areas, while the PAN [National Vanguard Party] will do so in private enterprise circles and in the metropolitan areas.

4. Regarding Rios Montt [former Guatemalan president], the DCG will insist that there is a constitutional impediment to his candidacy while the PAN will avoid the subject and will stay close to him to attract his voters after he is left out of the race.

5. Progress with the project must be constantly evaluated to gauge its results. In principle, the DCG and PAN will aim all their human, technical, and logistical resources at the UCN to try to wear it out before 30 June and will later do the same with any other opposition groups that are likely to become significant forces.

6. Since it may be pointed out that the PAN is conspiring with the DCG, its leaders must strongly deny it because, as has been agreed, the ultimate objective is in the second round.

7. It is clear to both the Strategic Group and the top leadership that, regardless of who wins, power will be shared equally, although the DCG will have priority in the selection of strategic posts in the three branches of government.

8. Each party will have its own working groups, even though the important decisions will be adopted solely by the top leadership and relayed to the other leadership cadres through the channels already established in the "Santo Tomas" agreement.

9. A schedule will be set of activities subject to evaluation and follow-up.

10. Definite strategies will be devised for the rank and file to keep them within the framework of the project, but they will not be informed of its contents.

The document that was sent to me ends at that point. We would still have to find out the contents of the "Santo Tomas" agreement, if it ever existed.

Agreements of this kind have been common in our country's political history. Therefore, this should not be a shock to anyone, especially since many attempts have been made to adopt positions that are not genuine in order to confuse an electorate that is despised because it is regarded as rather uncouth and gullible.

The statements by Don Arzu [not further identified] labeling the executive branch's economic measures as sound and working in the right direction are not in the slightest way an indication of an intention to run against the DCG. Therefore, the possibility of reaching an agreement such as would be eventually contained—truly or not—in the "Fan Project" must not be regarded as deceit. Moreover, when Mr. Cerezo has referred to Mr. Arzu he has done so with the sympathy of a comrade whom he even described as "my best collaborator." Julian Parrillas was quite right when some years ago, in referring to that harmonious relationship, he entitled one of his "Politics Behind the Scenes" articles as "The President Has Been A Good Mayor."

As a "pinch hitter," Don Arzu would constitute recognition for Don Vinicio [President Vinicio Cerezo] who, loyal to his "brother" up to "electoral death," would pretend—if the demise occurs during the first round of the elections—to leave his "friend" as "executor" of the estate in order for it to be shared with his grass roots party.

As an intention, it is "brilliant." As a "project," who knows?

Honduras

Army Reportedly Running 'Raids' in El Salvador

PA1105154390 Panama City ACAN in Spanish 2225 GMT 8 May 90

[Text] Marcala, Honduras (ACAN-EFE)—A Catholic priest in Marcala, a town in western Honduras, today reported that Honduran Army patrols are entering Salvadoran territory. He requested the intervention of the UN Observer Group in Central America (ONUCA).

Lucio Nunez, Marcala parish priest, told ACAN-EFE that residents in the border area have told him in writing that they are "afraid" as a result of the Honduran Army raids in Salvadoran territory.

Meanwhile, a Honduran Armed Forces spokesman today said "it is not true that Army patrols have raided Salvadoran territory."

"The Honduran military presence at the border is to ensure the people's security, to prevent Salvadoran guerrillas from entering our national territory, and to protect the country's sovereignty and territorial integrity," the spokesman told ACAN-EFE.

Nunez sent a letter to the ONUCA Commander, Spanish General Agustin Quesada, requesting "the presence of the international observers because of the tense situation that the people at the border area, consisting of the municipalities of Marcala, Santa Elena and Yarula, are enduring."

"On behalf of the parish, I have requested ONUCA's presence because I believe that when a foreign army raids another country, it becomes an unconventional force," Nunez explained.

The most recent raids reported by border area residents allegedly occurred in March and April near the Salvadoran communities of Monte Copado, Opalaca, and Sololara.

Two other priests, Celso Sanchez and Pablo Diaz from Camasca, Intibuca Department, bordering El Salvador, also claim they have received reports of Salvadoran soldiers conducting raids in Honduran territory.

"People living in the border area are frightened. In addition, they are clamoring for jobs, health, education, and other essential services," Sanchez added.

'Contra' Relatives To Go to Refugee Centers

PA1205184590 Panama City ACAN in Spanish 1533 GMT 12 May 90

[Text] Tegucigalpa, 12 May (ACAN-EFE)—Today the Honduran Government authorized the transfer of 1,800 "contra" family members to the "Las Vegas" refugee center. The families are dispersed in an are of Honduran jungle and will be repatriated soon.

The Foreign Ministry announced that this decision was made for "humanitarian reasons" and at the request of the International Support and Verification Commission (CIAV), which will implement the relocation from 14-20 May.

The anti-Sandinists, including civilians and former combatants, will be transferred from Bocay to "Las Vegas," which is in the country's eastern area on the border with Nicaragua.

A Foreign Ministry communique states that "by CIAV request" they will be transported on U.S. Air Force helicopters stationed at the Palmerola Base in central Honduras.

In "Las Vegas," El Paraiso Department, the CIAV and international agencies will provide food and medical treatment to the relatives of the "contras" while they await their repatriation. Generators will supply electricity at the new camp that is being established for the Nicaraguans, and tents will be set up to house people the Honduran Government describes as "temporary residents."

Some 17,000 Nicaraguan civilians who have been with the "contra" combatants and about 20,000 Nicaraguan refugees are still in Honduran territory.

* 'Worst' Economic Crisis Outlined, Described

90CA0022B San Pedro Sula LA PRENSA in Spanish 2 Mar 90 p 7

[Editorial: "The Economic Crisis"]

[Text] At the beginning of the decade of the 1990's Honduras is going through the worst economic crisis of its history, facing problems associated with a deficit in its balance of payments and an increase in the budget deficit for the public sector, which together are generating inflationary pressures and creating unemployment among the working population of the country.

One of the principal problems which reflects the economic crisis facing Honduras is the need for a major revision in statistical figures and the procedures for collecting and processing economic and social data. Inflation in 1989 was 25 percent and not the 9 percent reported by official figures. According to Secplan [Ministry of Planning, Coordination, and Budget],the budget deficit amounted to 1.25 billion lempiras and not 750 million lempiras, as the minister of finance of the previous government stated.

The external debt is approaching $3.2 billion, and, according to Minister of Finance and Public Credit Benjamin Villanueva, the amount of the debt which is now overdue for repayment is $600 million.

Apparently, the information on economic and social matters available respectively in the Ministry of Planning, Coordination, and Budget (Secplan) and in the Central Bank of Honduras differs in the way it is processed and in ti sources of the information. These differences create problems regarding the validity of the figures and the indicators of economic performance, since the latter do not meet the needs of the international financial organizations and of the public sector itself for evaluating private sector investment decisions.

As a result of the overvaluation of the lempira and the deterioration of the terms of trade, the balance of payments on current account reflected a persistent deficit amounting to more than 6 percent of the Gross Domestic Product during the 1980's. If the trade deficit is added to net factor payments, the deficit in the balance of payments was even more negative during the past decade. This period must be characterized as a lost decade for Honduras and all of the countries of Latin America.

Between 1986 and 1989 capital receipts declined, and transfers from AID made it possible to finance the deficit in the balance of payments. However, at the same time delays in the repayment of the external debt have begun to accumulate and now total more than $600 million. This financial situation will be very difficult to overcome if foreign exchange policies are not adopted which are adequate to deal with the reality of the economic crisis which Honduras is going through. Measures must be taken to reduce the budget deficit, which is the principal danger facing the Honduran economy.

The net advance extended by the Central Bank of Honduras to the central government practically doubled between 1987 and 1989, going up from 426 million lempiras in 1986 to more than 900 million lempiras in 1989.

In terms of Gross Domestic Product (GDP), government expenditures have increased from 14 percent in 1970 to 30 percent in 1989, creating a budgetary deficit financed principally with internally generated credit over the past 4 years.

This growing budgetary deficit of the government and the lack of an adequate economic policy has undermined

financial stability, generating inflationary pressures and growing unemployment. An effort has been made to resolve this problem by increasing the role of the state in the economy and by slowing down repayment of the external debt. Overdue repayments of the external debt have increased from $13 million in 1981 to more than $600 million in 1989.

Furthermore, since more is being spent in Honduras than is being produced and imports are greater than exports, the budgetary deficit is having an impact on the balance of payments and on the increase in domestic inflation.

As government savings on current account are negative and the government has to seek loans to finance its current expenditures, during the period from 1983 to 1989 inflationary pressures have affected imports, increasing the unofficial rate of exchange and domestic prices for imported products.

During the past decade one of the principal, structural problems of the Honduran economy has been the decline in agricultural production and real prices, as reflected in the index of prices of the agricultural sector. The result has been that the index of consumer prices in the economy as a whole has declined.

At the same time the excessive increase in the emission of credit by the Central Bank to cover the budgetary deficit feeds the inflationary process, generating additional pressures on the balance of payments.

Since 1983, when the agreement with the IMF was suspended, and instead of promoting more favorable budgetary, monetary, credit, and foreign exchange conditions for the development of the national economy, short-term economic policies have been followed. These policies have discouraged savings, investment, and imports by distortions in relative prices and by controls which have promoted smuggling, tax fraud, and a crisis in the Honduran economy.

Fortunately, the new government appears to have decided to confront the crisis with harsh but necessary measures. The productive sectors, and the people in general, must have confidence and support the approaching, structural adjustment, rejecting any demagogic appeals which may be made against it. Although it is true that the new measures will be painful, they will lay the foundations for economic recovery and will lead us, over a period of about 2 years to recovery and development, keys to national well being.

* High Levels of Violence Blamed, Cited

90CA0022E San Pedro Sula LA PRENSA in Spanish4 Apr 90 p 22

[Text] The results of having an inefficient police force in Honduras can be seen from the experience of the first 2 months of 1990.

In January 1990 alone the police officially reported a total of 87 violent deaths and 67 persons wounded.

Among the dead 36 were killed by firearms, 17 by stabbing, 1 through the use of a blunt weapon, 3 by suffocation, 5 in traffic accidents, 7 due to intoxication by various means, 9 died suddenly, and 2 were suicides.

Among the wounded it was reported that 30 were injured by firearms, 36 by stabbing, and 1 in a traffic accident.

Also in January police cells were "inundated" by 980 persons arrested for crimes such as robbery, theft, rape, attempts to commit one of the previously mentioned offenses, drug abuse, the use of false pretenses, swindling, smuggling and tax fraud, cattle rustling, forgery of checks and public documents, abortion, homicide, and other, miscellaneous crimes.

Out of this grand total of 980 persons arrested, 591 of the accused were turned over to the courts for consideration of their responsibility in these cases.

In February 1990 a total of 86 persons were officially reported as dying by violence (1 less than in January 1990), and 42 persons were wounded (25 less than in January).

Among the dead 39 were killed by firearms, 20 by stabbing, 6 in traffic accidents, 2 were suffocated, 3 were hanged, 2 were electrocuted, 4 died suddenly, and 8 were suicides.

Among the wounded, 24 were shot with firearms, 15 were stabbed, 1 was attacked with a round object, and 2 with ice picks.

Also during February 1990 the number of persons arrested increased by comparison with January 1990. A total of 1,120 persons were detained and held in police cells.

Those arrests were for robbery, theft, the use of false pretenses, falsification of private and official documents, cattle rustling, purchase of stolen goods, usurpation of land, attacks and murders and attempted attacks and murders, rape, kidnapping, kidnapping of minors, abandonment of home, drug abuse, scandalous behavior on the public streets, and other, unclassified offenses.

Of those arrested the police turned over to the courts for trial 674 accused persons who were later released on these charges.

* Emergency Aid to Farmers Discussed

90CA0022C San Pedro Sula LA PRENSA in Spanish 4 Apr 90 p 2

[Excerpt] Representatives of the productive sectors of the country and of the public, agricultural sector began on 3 April to discuss procedures for extending small loans to producers of basic grains. These loans, whose

total value will amount to more than 100 million lempiras, are provided for in the Emergency Action Plan for the Production of Basic Grains.

The meeting at which the discussions are taking place is being held at the headquarters of the National Agricultural Development Bank [Banadesa]. Participating in them are representatives of the National Association of Importers, Distributors, and Outlets of Agricultural Products; of the National Federation of Farmers and Cattle Raisers of Honduras [Fenagh]; of the National Union of Farmers [UNC]; and of the National Association of Farmers of Honduras [Anach].

Participating in the discussions from the government side are the regional directors of the Ministry of Natural Resources and the managers of Banadesa branch banks.

Hector Enrique Gamero, credit manager for Banadesa, stated that the project should be implemented during the crop year of 1990-91.

He indicated that the plan only covers rice, corn, sorghum, and soy beans and that it has been approved by the Board of Directors of Banadesa, which wishes to facilitate the extension of loans for the production of basic grains, both for the sector where land reform has been applied as well as the sector where land reform has not yet been implemented.

He added that the policy of the government is to provide incentives for the production of basic grains and that Banadesa will try to be as flexible as possible in providing support to the greatest number of farmers in the country.

Gamero stated that the loan program is intended to provide about 42 million lempiras in loans to the sector where land reform has been carried out and about 60 million lempiras to the sector where land reform has not been applied.

He pointed out that only what the bank has traditionally financed will be covered by these loans, with an additional increment of 100 percent, since in previous years about 40 million lempiras have been provided for these purposes.

He stated that the loan program covers the purchase of production inputs and technical assistance. The latter will be provided by the Ministry of Natural Resources. [passage omitted]

Nicaragua

President Chamorro, Cabinet Hold News Conference

PA1105170390 Managua Domestic Service in Spanish 1548 GMT 11 May 90

[News conference by President Violeta Chamorro and her Cabinet at the Presidential Palace in Managua—live; broadcast in progress]

[Text] [Chamorro] ... and important achievements by my government. It will always be my policy to keep the people informed of government actions.

The government Cabinet is made up of qualified professionals who will assist us in the difficult tasks and in conducting state affairs, with our main goals being economic recovery and the continuous promotion of peace and reconciliation among brothers.

We inherited a virtually ransacked country lost in total bankruptcy. It is our responsibility to move the country forward. It is for this reason, Nicaraguan brothers, that I ask your help and support for my government. As I said in my inaugural speech, I do not want to be authoritarian but to serve.

It is a pleasure to inform you that 16 days after I assumed the government that eliminated military conscription and issued a broad and unconditional amnesty law, today I am signing a decree for the revision of confiscations [decreto de la revision de las confiscaciones] and the law on provisional leasing of land [ley de arrendamiento provisional de tierra] in view of the upcoming agricultural growing season.

We are also reviewing all laws and decrees issued by the previous government from 25 February to 25 April, since no one can arbitrarily take what constitutes part of the nation's capital.

In addition, I am pleased to announce that today, 248 Nicaraguan Resistance [RN] fighters have demobilized, which clearly shows their willingness to contribute to attain a definitive peace for our people. This goodwill, together with the orders I have issued to the Army to proceed immediately to disarm civilians who are currently in demilitarized zones and to destroy the weapons recovered, will permit the demilitarization of our homeland.

Each one of my promises will be kept. We all want to implement democracy, improve the economy, attain peace, and live in harmony. I have faith in God and in all Nicaraguans that we will achieve these goals.

Thank you, my dear national and international journalists and friends. [applause]

[Announcer] Danilo Lacayo, director of information and press for the Presidency, is now speaking.

[Lacayo] In accordance with what the president has just said, Agriculture Minister Roberto Rondon Sacasa will now read Decree Law No. 10-90:

[Rondon] The president of the Republic of Nicaragua, using the powers bestowed by Article 150 of the Constitution, clause four, whereas:

It is urgent to adopt provisional measures that will promote the country's economic recovery in accordance with the new government's economic and social plans.

The next agricultural cycle will begin in the next few days. Therefore, it is necessary to ensure the full usage of our land's resources for our nation.

Decrees:

Article 1. To provide, on the basis of a loan, rural properties suitable for farming or cattle breeding which, at the time this decree is promulgated, are owned or held by the state, and which may or may not be managed by a government institution. These rural properties have been chosen based on the decrees regulating confiscations or expropriations. Also, they may have been set aside for public use, or arbitrarily confiscated by a previous government, or held by a third party that was not the legitimate owner.

This will not include rural properties confiscated under Decree No. 3 of 20 July 1979 or Decree No. 38 of 8 August 1979 issued by the Junta of the Government of National Reconstruction.

Article 2. This decree-law will benefits individuals or legal entities who may directly or through their legal representatives offer the following:

1. A duly registered property title for the asset being requested on loan, specifying the property holder's rights to it. If neither is available, a real estate or cadastral certification showing property ownership may be presented. If none of these are available, five witnesses may attest to the ownership rights before the confiscation or intervention. The witnesses will give their statement to the person assigned to receive it by the Attorney General in all departments.

2. A copy of the confiscatory decree, or legal act ordering the confiscation or action, or an attorney general's certification that the property was not legally expropriated.

3. Information regarding the condition of the expropriated assets.

4. A formal commitment to cultivate the land or a commitment to do so immediately to produce during the current agricultural cycle.

5. A commitment to present, on the date established by law, a formal petition for the legal recovery of the property.

Article 3. The minister of agriculture and livestock will receive the requests, which must be accompanied by the requirements mentioned in the previous article.

Once the documents have been verified and no later than seven days after the request has been made, the minister will issue a resolution advising the government institution responsible for the property that it is to be rented for the current agricultural cycle. If the property is already being held by a third party, the agriculture and livestock minister will proceed with the rental arrangements and order the property to be turned over immediately.

Article 4. The Ministry of Agriculture and Livestock, along with the corresponding state institution, will rent the property after a detailed inventory of it. This information will be included in a legal statement that is to be signed by the renter, who must also agree to maintain it. A copy of this legal statement will be given to the renter. Police officials will ensure that the rental commitment is kept.

Article 5. If the property had contained permanent or semi-permanent crops, like coffee or sugarcane, etc., and these had been planted by the state, the beneficiary will agree to pay a portion of the investment. This transaction will be based on the loan granted for the production of the initial crop. In addition, when the renter receives the property, he will pay the state all of the expenses incurred during this agriculture cycle.

Article 6. If the property is being used for cattle breeding, the beneficiary will rescind the rental, unless the renter agrees to continue cattle breeding. If this occurs, the state will make the final decision based on its criteria and taking into account the market value of cattle and the property's capacity to breed them in a profitable manner.

Article 7. The National Development Bank will offer the renter a partnership or a cattle loan, using the rental contract to back the pledge of land resources and taking into account his past record as a good producer. The terms, conditons, and guarantees will be the normal ones used in all partnership or loans for farm equipment.

Article 8. The National Development Bank, as the holder of the chattel, will not liquidate the renter's assets at the end of the agricultural cycle, but will wait until the renter demonstrates that prior to confiscation he did not have any pending loans with banking institutions that are currently members in the National Financial System. If this is not so, the National Development Bank will proceed to restructure the loan, under normal loan restructuring conditions for the type of credit that was given. The pending debt is to be restructured in gold cordoba currency and based on the principle plus interest due when the confiscation took place and in accordance with a conversion table to be determined by the Board of Directors of the Central Bank of Nicaragua.

In addition to the contract, the tenant will sign an agreement to cancel any outstanding debt under the above mentioned conditions. The settlement in favor of the tenant will not proceed when the debts exceed the commercial value of the property. Any arrangement on the settlement will depend on the privatization policy to be established by the government.

Article 9. The tenants, by signing the contract, will not lose their rights as owners to claim the right of ownership and protection of the property, according to law.

Article 10. State agricultural enterprises that might lose some of their lands in view of these decrees must present, as soon as possible, an inventory of their machinery and

farming equipment in excess of their needs, so that said machinery or services can be sold to those affected by this law.

This decree-law goes into effect from the time it is made public in the media, without detriment to its being published later in the Official Gazette. Managua, Presidency, 11 May 1990. Violeta Barrios de Chamorro President of the Republic of Nicaragua.

[Announcer] That was Roberto Rondon, minister of agriculture and livestock. Now a decree-law on confiscation or intervention, referring exclusively to property and productive lands, will be read:

[Juan Alvaro Munguia, adviser to the Presidency] We are reading the decrees textually. We will now read Decree No. 1190 on revision of confiscations:

This decree, as the preceeding one, is very important to the country's economic development. In this way the president is complying with the law, because once the decree has been read, it becomes effective, as it is being read through the media: The president of the Republic of Nicaragua, by the powers bestowed on her by Article No. 150 of the Constitution, paragraph 4, whereas: That for the construction of democracy based on justice and law, we must review the acts which caused great violations of the ownership of shares, copyrights, assets, real estate, personal property, and patrimony of private citizens, through a confiscation, expropriation, or seizure of assets that were presumably abandoned, taken over by squatters, or seized illegally or based on arbitrary decrees;

Whereas: That these acts are violations of the Universal Declaration Of Human Rights, which are contained in Article 46 of our Constitution;

Whereas: For the establishment of a state of law, for national reconciliation, and for the country's economic recovery, it is necessary to immediately review all confiscations, interventions, and actions carried out by the previous government as well as all other actions that in one way or another led to the arbitrary stripping of the properties of individuals and legal entities;.

Whereas: The revision is a commitment made by this national salvation government and it is must be carried out in an impartial manner by guaranteeing justice for all, regardless of party membership, as well as by preserving the rights earned by peasants, who benefitted by the agrarian reform process, the rights of cooperatives, which are carrying out their social and economic missions, and the rights of the less privileged;

Whereas: It is the government's duty to fulfill the promises made to the Nicaraguan people and to return the things which were unfairly confiscated by compensating them as far as the government's economic situation allows;

Therefore, it decrees: Article 1: The creation of the National Revision Commission [Comision Nacional de Revision], which will be composed by the attorney general and four other persons, who will be directly appointed by the president of the Republic from among people of well-known honesty, integrity, and morality. This commission has the authority to review all the confiscations ordered by the previous government under the confiscation and agrarian reform laws and decrees as well as those who in one way or another stripped individuals or legal entities of their property. The commission will respect the rights of peasants, of the cooperatives that fulfill their social and economic missions, and of the less privileged.

Article 2: The National Revision Commission will be headed by the attorney general. It will operate from the Attorney General's Office and it will have the authority to request on a priority basis any additional information that may be needed for complete knowledge of the matter. If any government official refuses to cooperate, he may be sanctioned by the government.

Article 3: Departmental attorney generals' offices are authorized to receive claims. As for Managua, the attorney general will designate the offices he feels are appropriate for the efficient filing of claims. The claims shall be written and they must at least include the following: names and general information of the claimant; documents identifying the claimant; documents that assert the right to a claim, such as property deeds and other documents which assert the right to a property; the registration certificate; the cadastral certificate; the court resolution; or any other deed; the statement of five witnesses rendered before the National Revision Commission regarding the claimant's rights of possession before the confiscation or intervention took place.

Article 4: As for the decree providing for the legal or physical act of authority [acto de autoridad] which led to the expropriation or damage and to the demonstration of injustice or illegal action, if it were not self-evident, all kinds of evidence will be accepted as proof: the registration certificate of the last entry of the claimant following the action and the tax certificate; the certificate of banks on the existence or lack of debt balances owed by the claimant before the action and which may directly affect his property. The circumstances in which the property in question is found or, if it were a business or enterprise involved, the last financial statement of the company may be included if possible. Once the claims are received, they will be submitted to the offices of the Attorney General so that the commission can study it, date it, and number it.

This way the rulings will be issued in the appropriate order. Once the documents are received and if there is any fact that must be confirmed, the commission will be given the appropriate evidence; and it will establish the appropriate deadline for receiving that information. Once the probationary term has concluded, the Commission will issue a ruling.

The National Revision Commission will issue its rulings by a simple majority of its members and the rulings will be registered in its minutes. The rulings ordering the return of a property or recognizing a right will be immediately carried out with the public forces' support, if necessary. The rulings will also be used in the subsequent legal procedures, in case the revision request is not favorable to the claimant.

When the case involves an enterprise, the ruling will be sent to the General Board of Corporations in the public sector, which is part of the Ministry of the Presidency, so that the former may proceed to an orderly turnover of assets with the appropriate supervision. The difference in assets declared in the last fiscal period preceding the confiscation or intervention as compared to the assets that the enterprise has at the time of the ruling will be turned over to the state in the manner stated—based on the conditions and deadlines that the Central Bank of Nicaragua establishes for commercial and industrial credits. The banking system will grant the necessary financing, provided that the enterprise or business is stable and feasible.

The procedures established in Decree No. 10, dated 11 May 1990, will be followed in the case of rural properties slated for return. Referring to claims concerning shareholdings, corporations, or negotiable documents, the Commission will carry out the inspections it considers convenient with the natural or juridical person's legal representative to ascertain the legitimacy of the ownership. If the documents were destroyed or reported missing, the deed or any other document established by the comercial code will serve as proof. The ruling ordering the return of a property will suffice as a document for the claimant to exercise full rights on the assets and it will be registered in the corresponding public registry if necessary.

Article 12: [number as heard] The law shall establish the indemnity the state shall pay to all those persons or corporations who obtain favorable resolutions and whose property cannot be returned due to the agrarian reform or because they are occupied by plot concessionaires or cooperatives that comply with their social and economic function, or land that has been distributed by the state to resolve housing problems for the poor, or because it is materially impossible to return this land.

Both the amount of indemnity and the credits that should be credited to the state due to the difference in the value of the assets will be established in gold cordobas. In the event the credit to the state was due to debts contracted prior to confiscation or intervention and that directly affects the property, the amount will be established in gold cordobas based on the principal plus interest owing up to the date of confiscation or intervention, in accordance with the conversion table established by the Nicaraguan Central Bank's Board of Directors. Records will be kept on the return of property to the claimant. The term to present a claim will be 180 days beginning from the date this decree is published; once this term expires no more claims will be accepted. Anything not covered by this decree-law will be covered by laws under either the Attorney General's Office, the Civil Code, the Commercial Code, the Civil Procedure Law, or general legal principles.

Article 17:[as heard] This decree-law goes into effect when published in any media, regardless of when it is published in the OFFICIAL GAZETTE. Issued in Managua, on 11 May 1990. Violeta Barrios de Chamorro, president of the Republic of Nicaragua.

[Danilo Lacayo, presidential press director, in progress] I want to further explain Decree 890. [55-second station indentification break]

[Labor Minister Francisco Rosales, in progress] ....legislate or do whatever she believes best within that decree; therefore she may reform, repeal, and clarify. On the other hand, she has the right to regulate a law that directly deals with the executive branch, in this particular case, the Labor Ministry. Your first question no doubt is why a law that had been approved by the National Assembly has been suspended by the president. This is the president's prerogative. We must have perfectly clear in our minds [four-second station break] the law will be suspended or abolished because it is an unconstitutional law, but this will be done afteward by the National Assembly. Mrs. Violeta's [name has heard] thoughts within the reconciliation project is not to create problems. To abolish the law would mean returning things to the previous state of affairs and the agreements signed would then be void. The idea is to maintain these agreements, which will be reviewed, thus remaining within the framework of justice and the basic criteria of national reconciliation and social peace.

Why have I talked about the agreements? Because the agreements were the result of the Civil Service Law. The strikes and the labor unions organized within the state also result from the Civil Service Law. Prior to 25 April, there were no labor unions within the state; within Nicaraguan law. There were no strikes either. Moreover, there are sectors—obviously they still maintain their fascist thoughts about the nationalization of the political, economic, and social sectors in the country—that are asking: What is happening now with the labor unions. Simply, that we have allowed labor unions to take actions, within the framework of liberty.

However, we must clearly point out that the generosity of national reconciliation does not mean weakness. We said in our message that we will abide by the law. To abide by the law means that at this time wildcat strikes at totally illegal. We cannot permit some sectors to undermine the economy of this country and to destabilize it under the pretext of carrying out activities to demand better salaries or better economic conditions.

I have brought with me some data I want the people to know. I also want you journalists to transmit this data and not to distort the information. We do not want any confrontations. We want to act according to the law, and

that means precisely telling labor unions that are promoting wildcat strikes, particularly the UNE [National Employees Union], that they are acting outside the law. This means we will be forced to declare these actions and strikes as illegal to preserve public order.

I will now make some considerations of a legal nature for those who believe that the suspension [of the Civil Service Law] is an arbitrary measure. We said that the legal basis for this law was the constitution. However, even from the social viewpoint, it was ridiculous to maintain such a position. The Civil Service Law was so wrong that it had created a legal void because it created a special commission. That special priviledge disrupted the government's jurisdiction over all state employees and was an open violation of the Constitution. Within the framework of conciliation and reconstruction of the country, the suspension of the abovementioned law rather benefits state workers.

The only way to reorganize the state and implement the economic and social policies is based on reorganizing the state. Obviously, Violeta Chamorro's message was not to carry out mass dismissals at any public institutions. That is indeed the message. This is not a matter of confrontations, it is a matter of conciliation. However, that does not mean the state cannot be reorganized. Who has taken the lead? The UNE has because it has launched state workers to occupy ministries. This morning activities at several ministries were suspended. There was a padlock on the Labor Ministry doors. I arrived there and told the CPF [Physical Protection Corps]: Sir, who is the boss here, the labor union or the minister? He told me: You. Then I told him: Please remove the padlocks. I opened the Ministry's doors, and the labor union called a wildcat strike. I said to them: You may hold a meeting, and discuss this. I will be back later to talk to you. But what is the attitude of this labor union? To try to justify the looting of state property. Some employees have even reached the ridiculous and vulgar point of carrying off files, desks, chairs, and coffee pots. What happened? That UNE legal adviser did the aforementioned.

I want to take this opportunity to tell him that he should feel ashamed. He would have been the member of the tribunal who would have solved the problems with the civil service law, who would have had to solve problems that deal with the civil service law had we kept that law in effect. Therefore, do you consider such action as just and correct? That is truly shameful.

I believe that within the FSLN [Sandinist National Liberation Front] rank and file there are some like Commander [Luis] Carrion who said he was ashamed of the law to eliminate criminal responsibility. Therefore, all the FSLN rank and file who are now provoking strikes to justify the looting should also feel ashamed.

I am speaking frankly. The problem is not because of the salaries. I will show you the payrolls with the 60-percent raise included. In the case of the Labor Ministry, you can confirm that an average salary for a messenger is 12 million [cordobas]. The average salary for a janitor is 15 million, for a technical worker 57 million.

Therefore, we are speaking about salaries which are in fact well over the alleged value of the basic basket of around 11 million. We have drawn up a small chart on the basis of the data that was left to us by the Planning Secretariat in which this year's salary increases are reflected. These salary increases cover the basic basket in excess. The adjustments amounted to 6.8 million cordobas up to 1 May and 11 million after that. In both cases, we exceed that salary.

Therefore, salaries are not the cause of the social and labor problems. The problem is simply to create chaos. With these atitudes, the hotheads want to destabilize this country and justify the looting they personally committed. We say in article 2 of Decree 890 that the Labor Ministry is empowered to proceed to review the collective bargaining contracts signed by state enterprises and their workers during the period between 25 February and 25 April of this year. However, [words indistinct] quite clear. This measure does not affect the agreed salary policy. Therefore, are salaries the problem? We have respected the agreements. The problem is not salaries. The problem is a desire to create chaos and disorder in this country.

So, first, we are appealing to them to realize that there is no legal mischief here. These contracts were not even endorsed by the Labor Ministry. Why? Because officials were ordered to simply sign and accept. According to Article 22, the Labor Ministry had powers to negotiate and approve the collective bargaining contracts. None of the contracts was approved by the Labor Ministry and there were no negotiations. So, there is even the fundamental flaw of nullity in the agreements. We are not invoking it. The only thing we want is to revise them and to give this country a major framework for relations between the state and the workers. Thank you very much.

[Moderator] Will the reporters present raise their hands, identify themselves, and indicate to which of the ministers, who are here accompanying the president, they are addressing their questions? So, we are going to begin with questions from left to right, one question at a time. Mario Pena.

[Pena] [Question indistinct]?

[Rosales] First of all, we are going to ask them to return to work. This will be our first measure. Our second measure, should they persist with the strike, will be to declare strikes illegal. If they insist on striking, our only option will be to implement the labor code. Anyone who fails to show up for work will be fired. The measure is very simple; it is not an effort to foster strikebreaking. Anyone who does not want to work will make their own choice. The requirements for a strike are established by the labor code, and these requirements must be met. I say this because members of the UNE visited my office yesterday at 1000 to request a meeting. I agreed to meet

with them at 1700 in the afternoon but they did not show up. They said that they had presented a list of petitions at the secretary's office of the Presidency. They gave their petition to the minister's secretary. I find this very interesting because the UNE's adviser was once the Labor Ministry's secretary general and he is also a labor expert [laboralista], and he knows that a list of petitions must be presented at the departmental (?inspectorship). It is not my fault if they took it to the wrong place. The departmental (?inspectorship) advocates conciliation and the procedure is well known. This would be like someone taking a document intended for a district court to the Supreme Court. Obviously, a procedural mistake was made. Furthermore, I have not seen that list of petitions.

So what can I say to the UNE workers? Return to your jobs. We will not negotiate under pressure. Negotiation between the state and UNE must be carried out in good faith, without pressure, without violence, and without asking anyone's permission. They must return to work. Our policy is very clear; the salary policy remains, and the rest of the agreement is subject to revision.

[Moderator] Jose Absalom Pastora.

[Pastora] Presidency Minister Lacayo has said that the government will investigate reports of pillaging which took place [words indistinct]. However, my question is if, in fact, there is proof that ranking members of the FSLN National Directorate were involved in the pillaging, will they be charged and held for pillaging the National Treasury?

[Lacayo] Mrs. Chamorro has addressed this issue in the message she read a short while ago. She said that all of the laws and decrees dictated by the previous government between 25 February and 25 April will be reviewed because the nation's capital cannot be disposed of arbitrarily. In effect, the government's decision to review these cases is legal. The Attorney General's Office will handle the cases.

[Unidentified reporter] Do you believe that today's strike is an effort to sabotage your government?

[Chamorro] Please repeat your question.

[Reporter] Do you believe that today's strike is an effort to sabotage your government?

[Chamorro] Quoting Dr. Rosales, I believe that these events are aimed at sabotaging the government, but since it is our desire to have a reconciliation, we are giving the workers an opportunity to understand the situation as the law stipulates.

[Moderator] Francisco Talavera, from [words indistinct].

[Talavera] It has been said that the government could declare a state of emergency in the next few days because of the strikes throughout the country.

[Rosales] A state of emergency would be declared if a chaotic situation does emerge. However, we cannot say we are going to declare a state of emergency a priority because the negotiations that we have proposed have yet to be examined. Yesterday I met with the Workers Permanent Congress [CPT], the Sandinist Workers Central [CST], the Chamber of Industry, the Chamber of Commerce, and the Higher Council of Private Enterprise [Cosep] to give the social pact idea a definitive shape.

We cannot think about an economic emergency before exhausting all possibilities. I am sure that after this news conference the public employees whose salaries have remained the same and who are being manipulated by a small minority that we all know, because we know how these minorities work, will realize that we are not interested in a confrontation with them.

What are public employees interested in? In their purchasing power. They want to know that their salaries are being respected. This is why Decree-Law 890, which we have mentioned, very clearly states that policies regarding salaries will be respected. Not all the public employees are Sandinists. Many voted for Mrs. Violeta Chamorro. In this country, 60 percent of the people voted against Sandinism. We could call on the 60 percent that voted against Sandinism. But we are responsible people and we cannot call on the people at a time when a dialogue is possible.

Our appeal is to the public employees, so that they do not let themselves be manipulated by a minority.

[Unidentified reporter] [Words indistinct] or is everything really working well?

[Health Minister Ernesto Salmeron] I said that I have found that the people's property was respected by the Health Ministry, that I found honesty there. I think I have been misinterpreted. I found honesty, and the information I have been given allows me to diagnose the people's health. The prognosis calls for caution. The prognosis calls for caution regarding the health situatuion in Nicaragua. This means that the health situation of the country is undergoing a crisis. In Nicaragua, 56 percent of the people are under 15 years of age. This population is vulnerable to epidemics. Thanks to the information I was provided by the Health Ministry, I know the death rate of the least-protected sectors of the population.

We know that the infrastructure of the hospitals in this country is obsolete. It has completely deteriorated because no economic resources exist for providing the equipment needed to protect the people when primary health programs are unable to check epidemics.

I am perfectly aware of the world health policies that were previously attempted in this country and not implemented because of the war. A war is the worse epidemic a country can suffer. We need hundreds of thousands of dollars to supply our hospitals with basic medicines. We

need an equal amount of money to provide, what we call in medicine, periodic replacement material. We have nothing left of this type of material. We do not even have parenteral solutions. We have not had these for the past three months. All of the medicines in stock in the 30 existing hospitals in this country do not have the resources to provide the minimal health care for any citizen who wants to improve his health. For the past three months, an inventory of all the items needed has revealed that the stock is down to zero because there is no money.

Now, I ask the country: Are we going to allow our children to suffer from epidemics because we cannot hold a vaccination campaign? Are the Health Ministry's central offices not going to work, first for two hours, then for three, and so on, progressively? I want to ask the world, how can polio, measles, whooping cough, tetanus be prevented?

(?La chifladora) [not further defined], or is it that these diseases only attack the children of wealthy parents? Do not the masses suffer the highest mortality rate? Have we not taken note of casualties in this country because the health services have not been as efficient as required by the people? Have we not shown our true intentions of protecting the needy and the poor in the spirit of the gospel? Is this not what we intend to do? I do not believe that there is any room here for any sort of ideology that will prevent us from protecting the people's health.

[Moderator] [Words indistinct].

[Unidentified reporter] The petitions made by the state employees do not involve only a salary readjustment but job stability. These are issues that were violated from the outset at some ministries; therefore, the government must also respond to the employees' position on job stability; the government is focusing on the salary issue, which is not the only issue involved. My question is why have you allowed so much time to pass when, from the first days of Mrs. Violeta Chamorro's goverment, the employees called for negotiations? Ministry employees requested meetings with their respective ministers; the ministers who agreed on meetings now enjoy improved relations with employees, as in the case of Telcor [Nicaraguan Telecommunications and Postal Services] and the Health Ministry. I ask if it is not a provocation in the opposite direction, that is, a provocation for the employees, that instead of beginning to work through dialogue and negotiation, the government—prior to meeting with the workers—issued a decree whereby it eradicated the rights they had achieved. In other words, why not negotiate first, thereby allowing the employees to feel more stable and secure in their jobs?.

[Rosales] Your question is two-pronged. You talk about job security as one of the priority goals and then you talk about procedures, saying that we should have negotiated with the workers initially.

The government's general policy... [changes thought] you can even go to the Labor Ministry and see that workers are not striking there. The first thing we did was meet with the workers. The government's general policy was set down on 25 April at the national stadium. The policy was established in a crystal clear manner; we did not even allow the world to interfere. Mrs. Chamorro was very clear. Contrary to some of her Cabinet members' wishes, she made the decision to retain General Humberto Ortega in her government. This means economic and political independence and freedom of choice. Workers have wanted to give this government a big zap. The government workers were the one who started the strikes. We did not call them to strike. They were the ones who came here the day before yesterday. They are the ones who did not allow the construction minister to enter his office. They are the ones who did not allow the health minister in, and who started the strike. They are the ones who have not allowed several ministers to enter.

Therefore, the problem is not that the government has broken the dialogue or that the government began with stability. You are wrong. You are precisely referring to the case of the National Financial System. Each director who did not resign when the new minister arrived should feel ashamed. What the directors, secretaries general, area directors and advisers had to do was to tell the minister, here is my resignation and if you confirm me, splendid. This is done in any democratic country. However, we simply found people who have entrenched themselves on the basis of alleged support from the working class. The people of this country voted for Dona Violeta, not for them. The people voted for change.

So, if a secretary general refuses to accept his dismissal or refuses to accept his removal as was the case in the Construction Ministry, this is shameful. If he respects himself and has a little dignity; if he realizes that he is the third- or second-ranking man in that ministry, he should resign. This is what he simply has to do. In yesterday's case at the Construction Ministry, the problem was that the secretary general was being removed. In the case of the financial system, the problem is that the directors are being removed—and they are being removed to promote them to the position of members of the higher consultative council of the bank.

Has anybody ever seen such a thing! How could this be the cause of a conflict? The intention is to create a conflict. The state is not creating the problem. The workers had the initiative. We suspended the Civil Service Law today in response. We could have even repealed it. We did not do so, however. We could have annulled the collective contracts, and yet we did not do so. We are going to revise them.

Thus, reality indicates that the procedure was broken by them. We are calling them to a dialogue. Yesterday, I called UNE members over television to come to my office today at 1500 to hold a dialogue. Now, the question here is not that they can come to my office—as they tried to do yesterday at 1000—and say receive me because I have come here and here I am. When has a cabinet minister or head of state ever allowed anyone to

arrive and say receive me? Daniel Ortega would not even come down or even allow people to come here and stage a demonstration next door! One could not even get as close to 200 meters from here. You think democracy is a one-way street. Democracy is not a one-way street.

[Moderator] Ana Maria Ruiz of the daily newspaper LA PRENSA.

[Ruiz] There is much talk of the labor problems and, according to reports, these problems are being caused by a minority. I want to address a question to the Presidency minister and the financial officials on the Cabinet. Can they assess the first 15 days of the administration with regard to the hopes for productivity of our country and what financing is available for agriculture now that these new lands are going to be leased? How will this operate? How much is production expected to increase? Is their assessment of the government optimistic? What has happened during these past 15 days?

[Moderator] This question was posed by Ana Maria Ruiz of LA PRENSA. At this moment the response will be made by [word indistinct] Mayorga.

[Mayorga] We have begun to lay the groundwork to achieve stability and economic recovery. At the same time, on the basis of the amnesty, the suspension of military service, and, finally, the laws we enacted today on the leasing of land and the revision of confiscations are beginning to establish a process of restructuration of the economy. Precisely this morning we have seen how the wheel of history, which had been going backward for 11 years, is now beginning to go forward again.

Dona Violeta is fulfilling her commitments in the sense that, while ownership is guaranteed to peasant beneficiaries of the agrarian reform, justice and legality are also being guaranteed to those who had their properties unjustly confiscated and were trampled on because of the authoritarianism of the previous regime. In the economic area, these are the bases of the structural transformation, which will allow our country to place in productive hands the resources which were idle or squandered by the previous government.

I would like to point out that, in the case of the financial and economic policies, the measures we had to adopt on 26 April concening the exchange rate adjustment were precisely measures in response to a time bomb which the previous government had carefully set up to begin exploding these days. That time bomb entailed the freezing of a number of prices regulated by the state, prices which lagged while the government was fueling inflation. This was done precisely so that prices would have to be adjusted, like the exchange rate, at the begining of Dona Violeta's government.

Similarly, they began inflating salaries, trying to make the workers believe they were giving them purchasing power, when what they were actually giving the workers were unbacked bills. Those bills are now circulating and causing huge inflation. Similarly, as Minister Salmeron said, they began totally abandoning the policies on health service inventories.

During its last two months in office, what the previous government did was to carefully set up a time bomb in each sector of the economy, leaving a difficult situation at the beginning of the Chamorro government.

Measures have already been adopted in the financial sector. These measures represent recovery of the foreign exchange market. After having skyrocketed, the black market has been dropping and right now is stable. Black market exchanges are quickly coming to an end.

In the financial field, it has been announced that the gold cordoba will be one of the keystones in the readjustment of the economy. It is already being used in credits. Credits should be disbursed normally and all producers should have access to credits. In cases where credits are not being disbursed normally, it is expected that producers will report such situations to the chairman's office in the respective financial corporation so that the situation can be corrected. We know that some bank branches are not giving credits to independent producers and instead are giving broad credit facilities, more than what is permitted, to producers linked to the previous government, people who are not producers, and people who have had undue access to credits.

These irregularities occur because of people who act in accordance with the policies of the current government, but also in accordance with principles aimed at destabilizing and hurting the economy. This situation is going to be reviewed within the framework of the law. Measures being adopted in the financial system, or in any other department of the state, will be reviewed within the framework of the law to determine if they are in the interests of the people, and officials, acting against the interests of the state and the people, will be penalized.

I think that the financial system has already established an adequate foundation in the gold cordoba, exchange rate adjustments, and interest rates. All this, plus the availability of resources for production, means that we are setting the basis for a recovery and that within a few weeks we are going to start seeing the positive results of these measures.

Regarding foreign resources, I would like to report that we are making preparations for a conference of donors in Rome on 6 and 7 June. We expect that some 30 or 35 industrialized countries that have been invited to participate will formally announce special donations whcih will be a very important factor in the consolidation of the recovery process, the very foundation of which is being established right now.

On our return from Rome we will announce the availability of foreign exchange and the importance that this will have in the recovery and consolidation of the economy in the framework of the economic changes and restructuring that has been going on since 25 April 1990.

[Moderator] Oscar Alvarez [words indistinct].

[Alvarez] [Words indistinct] of the government have set its basis. This has caught the people's attention. The owners of gas stations are concerned because if the government does not heed their appeal to raise their profit percentage from six to 15 percent so that they can survive, they will quit their line of work and find something else to do. They have said that the six-percent profit they are making now does not allow them to pay their employees or pay for public services. They say that they could secure from 30- to 100-percent profit selling water in El Oriental Marketplace sector. They are asking Mrs. Chamorro to do something so that they do not have to go to El Oriental Marketplace to sell water. What is the government's answer?

[Mayorga] I am surprised to see how associations of producers, businessmen, or workers, who for the 10 years under the Sandinist Government were the victims of repressive and confiscatory measures without ever exerting this type of pressure—like calling for a general strike—are doing it now.

I do not think that the country needs the actions of a strike or anything like it without first discussing the problem with government authorities in hopes of finding a solution.

No problem in this country can be resolved overnight. It had been said that the necessary measures to initiate a recovery process would be adopted during the first 100 days of the government and that during this time we would be seeing the first positive results of the government's economic plan.

We have been in the government only 15 days. All that can be done in such a period of time, and in the next few days, is to analyze the situation. Problems cannot be resolved overnight and we should not believe that profit rates can be hiked from six to 15 percent overnight, or something like that.

Proposals to solutions have to be carefully studied and discussed by the government authorities and the various sectors. Problems have to be resolved in a deliberate and orderly fashion.

We, along with the finance and economy ministers and other pertinent government officials, will be more than pleased to meet, as many times as necessary, with gasoline vendors, in the same manner that we have been meeting with different production sectors to start finding solutions that will slowly and gradually renew order in our national economy. [25-second station identification break]

[Violeta Chamorro, in progress] ...the biggest government opposition. He is the official who stepped down. Are you asking if he is our biggest opposition? Well, this may or may not be. I believe that he, as former president, should contribute to the country's reconstruction, peace, and reconciliation, as this was the commitment made during elections.

[Moderator] Journalist Ada Luz Monterrey

[Monterrey] Ada Luz Monterrey, director of Radio Sandino Sunday's El Ataval program. Engineer Antonio Lacayo, I would like you to explain if the protocol transition period is no longer valid? Because, if I remember correctly, a section in that protocol stated that decrees would be respected, as well as some laws that had been approved by the National Assembly between 25 February and 25 April. That is my first question. Second: What does your government have to say regarding the delay in receiving the money that the U.S. Government promised Mrs. Violeta Chamorro's government? I insist on asking this because it has been notorious... [changes thought] since 1981, the U.S. Government has had no problems in getting money to finance the war against Nicaragua and had no trouble in giving money to the people who were managing this war. However the delay is very noticeable and people are concerned. I, as a Nicaraguan, am also concerned because, after so many months, the money has still not been sent to the Nicaraguan Government.

[Lacayo] First, I will refer to the protocol. This document does not mention anything about laws that were made during the transition period; it was simply not mentioned there. Do recall that the protocol was signed on 27 March, the middle of the 60-day transition period. In it, it was basically agreed that the spirit of Mrs. Chamorro's government program was to be respected—and we do still want this to continue—as it is the spirit of reconciliation among Nicaraguans. However, that protocol did not mention any law previously issued or pending by the government.

Regarding U.S. aid, I share your concern. Many times, it would seem that war is easier than democracy. Democracy is harder than war. That is why the present phase in Nicaragua is more difficult than the one we had before. War is very easy. Two people can step outside and begin fighthing in two minutes. Democracy, however, is not so easy. We have noted that this aid package has had internal problems in the United States due to reasons that have nothing to do with our situation. However, we believe that the problems are going to be resolved favorably in the coming days. But, this is the way it is now. We cannot control these things and it is urgent for Nicaraguans to act with good sense and good will. It would do us no good if the aid arrives and we have not managed to work together or, as Dr. Rosales said, people do not trust the government.

If we have the will to work in harmony, I am sure that we Nicaraguans can make the country come out ahead. If aid arrives, better still, but let us not believe that Nicaragua's future depends on aid; it depends on us.

[Unidentified reporter] Will there be a readjustment of mid-level personnel in your government?

[Chamorro] Not in the least; here we have freedom. The media can employ whomever it likes. I am not telling the media how much to spend on salaries; they are completely independent.

[Reporter] I am referring to your governement.

[Chamorro] Oh, my government?

[Reporter] Yes, your government. Do you have any readjustment plans for mid-level personnel within your government?

[Chamorro] I will be looking at that in due course.

[Moderator] Jose Zaldua, AFP.

[Zaldua] Referring to Article 1 of Decree 1090, I would like to know if you have an estimate on how much land is involved. Also, the rural properties confiscated under Decree No. 3 of 20 July and Decree No. 38 of 8 August 1979—what sort of decrees are these and what land is involved? Why are these properties not affected by the decree?

[Unidentified speaker] It is difficult to estimate how much land is involved because the people were never told of the property seized, confiscated, invaded, or taken by other arbitrary actions. Much less are we able to know through Decrees 3 and 38 and other decrees what land is involved. It is up to the owners—the parties of interest—who must appear before the Agriculture and Livestock Ministry to place their claim.

[Moderator] We ask all reporters to remain in your position and keep the meeting orderly. This news conference has ended and we will stand to sing the national anthem.

UNE Secretary General Calls 'Indefinite' Strike

PA1205035690 Managua Radio Sandino in Spanish 1930 GMT 11 May 90

[Text] Jose Angel Bermudez, secretary general of the National Union of Employees [UNE], has said that the strike will be indefinite as long as the government refuses to end to its stubbornness and its refusal to sit down and talk with labor leaders who are demanding salary readjustments in keeping with the current cost of living established by the government.

In statements to local and foreign reporters, Bermudez refuted statements by the labor minister who said that the UNE has not met the legal requirements to initiate a strike. Bermudez added that before the strikes occurred the labor leaders attempted to negotiate with Rosales and he refused.

Bermudez emphatically denied that the striking workers are a minority, and he invited the reporters to find out for themselves whether most of the central government's employees are on strike, including those at the Cesar Augusto Sandino International Airport.

The UNE secretary general said that the workers are not against any minister, the government's Cabinet, or Mrs. Chamorro. He said that Labor Minister Francisco Rosales and Central Bank Director Francisco Mayorga are involving the president in the latest measures against the workers, but no government can rule without its employees. Bermudez said that the unions are willing to initiate a dialogue immediately with the government, and that they have no interest in harming the national economy. He added, however, that the Civil Service Law must be respected because if it is not, all of the government employees' rights will be lost.

Government Workers Threaten Strike

PA1205043090 Paris AFP in Spanish 0247 GMT 12 May 90

[Text] Managua, 11 May (AFP)—The general strike by state workers grew worse Friday night after President Violeta Chamorro refused to receive a delegation of the leading Sandinist labor federations. The leaders threatened to paralyze the country if the government does not rescind its economic and labor measures.

The main state institutions were paralyzed Friday [11 May] afternoon by workers affiliated with the General Federation of Public Administaton Workers [Confederacion General de Trabajadores de la Administracion Publica], whose 50,000 members went on strike and, in some cases, occupied offices including the Legislative Assembly and customs. Meanwhile, work at the presidential house was conducted, but not completely as normal.

In the afternoon, approximately 5,000 workers headed by the main Sandinist labor leaders surrounded the presidential house, which had to be cordoned off by some 150 antiriot policemen.

The demonstrators, who had to walk approximately one kilometer to reach President Violeta Chamorro's offices, shouted "Violeta, Violeta, Show Respect for the People."

The demonstrators broke through the first police cordon, which was supposed to keep them at a distance, and they moved to within two meters of the main entrance to the presidential house, forcing police commanders to call for reinforcements.

Meanwhile, Lucio Jimenez, Nicaragua's most famous labor leader, said that the country "will be near chaos and anarchy" if the government refuses to enter into negotiations with the workers with regard to salary increases, respect for the law on civil service—which was suspended yesterday—and a revision of the decrees published today, according to which confiscations will be reviewed and state-owned lands will be leased to private citizens.

"We cannot agree to live in our country under pressure," said Jimenez, who explained that the Sandinist labor federations will discuss this weekend the possiblity of

declaring a general strike if the Chamorro government does not talk with the workers.

The leader of the National Workers Front [Frente Nacional de los Trabajadores], with a membership of 400,000, said that President Chamorro refused to receive them today and, therefore, they have demanded a meeting on 14 May.

"If she remains adamant and no dialogue is undertaken, we might consider paralyzing the entire nation since the new government's policy is to boycott us and the interests of the country," Jimenez noted.

Public Workers' Communique

PA1305164690 Managua Radio Sandino in Spanish 1319 GMT 13 May 90

[Press communique No. 9 issued by the General Confederation of Public Administration Workers on 12 May]

[Text] The National Secretariat of the General Confederation of Public Administration Workers hereby notifies its unions, federations, the citizens in general, and the international community that at 1000 yesterday, 12 May, we attended a meeting with Labor Minister Francisco Rosales. We attended this meeting to show our spirit of negotiation and dialogue, and to listen to the minister's stand, as he is the government's delegate.

2. [number as heard] Dr. Francisco Rosales, who was accompanied and supported by the delegates of the so-called Permament Congress of the Workers, jointly explained the negotiating conditions that the government seeks, as follows:
a) All workers must immediately go back to work.
b) Salaries will be frozen as a result of what they say is the country's economic crisis.
c) The revision of all collective bargaining contracts.
d) The signing of a so-called social pact.
e) Labor stability.

We have rejected these points presented by the Permament Congress of the Workers and Dr. Francisco Rosales, as representative of the Violeta Chamorro government, inasmuch as they do not represent the fulfillment of any of our basic demands.

3. To this effect, we want to announce publicly our minimum conditions for suspending the strike, or at least for negotiating:
a) An immediate salary increase of 200 percent.
b) The government's commitment that it will guarantee labor stability and the workers' positions during the time the law on civil service is revised.
c) Reinstatement, without repercussions, of those who were illegally dismissed up to 10 May.
d) Reinstatement, without repercussions, of those who were dismissed by reason of the strike.
e) That no reprisals be taken under any circumstances against the striking workers.

4. We remain firm in our attitude and stand demanding our claims and rights, but we remain willing to begin serious negotiations on any offer which will recognize our basic rights. Issued in Managua on 12 May 1990, General Confederation of Public Administration Workers.

We would also like to take this opportunity to invite all the leaders of the confederation to an urgent meeting at 0800 on 13 May at our general headquarters in the Jose Benito Escobar Building. At this meeting we will discuss the general state of affairs of our actions and of the general strike.

Labor Leader Walks Out

PA1405015190 Panama City ACAN in Spanish 2351 GMT 13 May 90

[Text] Managua, 13 May (ACAN-EFE)—The strike involving 30,000 Nicaraguan Government workers that began on 10 May to make labor and stability demands heard will continue in view of the fact that the negotiations between the government and union leaders have failed.

Jose Angel Bermudez, secretary general of the 48,000-member UNE, walked out of the room where he was meeting today with Labor Minister Francisco Rosales because, according to Bermudez, the high-ranking official included "pro-government" union leaders in the wage negotiations.

Bermudez said that they left the negotiating table because "the people" of the pro-government Permanent Workers' Congress (CPT) were at the meeting, and "they had nothing to do there because we are going to negotiate with the government representative and not with the union leaders."

The government asked the union leaders to ask the workers to return to work and to review the group agreements so they can then sit down to talk, however, the UNE leaders insisted on a 200-percent wage increase and respect for the stability of the Sandinists who are working with the current administration.

The union leaders also asked the labor minister to abolish the declaration that makes strikes "illegal" and to remove the threat of firing those who do not return to work.

The UNE leader said that he suggested to Rosales that he would negotiate the 200-percent wage increase if the CPT union leaders were asked to leave the room but that the labor minister arrogantly responded: "I give the orders here."

Then, Bermudez added, the UNE representatives "decided to leave because we have nothing to discuss with the CPT and because we have no quarrel with the CPT; Minister Rosales is the only one to blame for this situation. He has provoked it."

Meanwhile, the secretary general of the opposition's Jose Benito Escobar Sandinist Central Organization of Workers (CST) said that the members of the union that supports President Violeta Chamorro got to the meeting with "plans to break the strike."

Violeta Chamorro's government, after a quick 80-percent devaluation of the cordoba on the authorized free market, announced a 60-percent wage increase. The union leaders feel this is "ridiculous."

The problem began on 10 May when a demand was made for better wages, and it worsened on 11 May when Chamorro passed a law that abolished the Civil Service Law that guarantees a government worker's job with the new government.

Minister Asks Strikers To Return

PA1405020490 Managua Domestic Service in Spanish 2317 GMT 13 May 90

[Statement by Acting Government Minister Duilio Baltodano; place and date not given—recorded]

[Text] I want to state that the government headed by Mrs. Violeta Barrios de Chamorro has been very clear. It has outlined its position to the Nicaraguan people and the national and international media, and it has explained that its objective is the common well-being and true stability.

The suspension of the civil service law announced on 10 May by the president was based on the fact that this law is without regulation, and the president, as chief of the executive branch, has the authority to adopt measures for the benefit of the community. This was a healthy measure.

It has also been announced that collective contracts will be reviewed by the Labor Ministry. This is being done to promote conciliation between the parties. We are referring to public employees and the government authorities.

There was a collective agreement that was signed by the authorities of all the state ministries. That agreement includes clauses that do not permit truly just relations between management and labor and between state employees and government authorities.

This is why we adopted measures that provide real conciliatory formulas. These are not imposed measures. No. This is a formula that seeks the common well-being and true stability for the employees. This formula is aimed at establishing adequate mechanisms so state ministries function in favor of the government policies that are being implemented since President Barrios de Chamorro was sworn in as president.

I want to tell the public-sector strikers to think seriously. The new government is trying to produce a sense of brotherhood, of reconciliation. It is trying to get state employees to do their their duty. It is time they think carefully and return to work, to their normal activities, because otherwise the government—as Labor Minister [Francisco Rosales] said at the latest news conference—will adopt measures that the law permits.

We are not going to function unlawfully. No. We are trying to lead the country in an orderly manner and with respect for the law. We are also trying to lead Nicaragua to peace, progress, development, and true participation. This is why it is most important now to think carefully, to return to work, and to realize that the best road is dialogue and not force, which leads nowhere.

New Government Devalues Cordoba for Fourth Time

PA1105140890 Managua Radio Sandino in Spanish 1200 GMT 11 May 90

[Text] The government has continued to carry out its threats to impose economic constraints against the people. The cordoba was officially devalued yesterday. Government businessmen reported that the devaluation became effective as of yesterday. They were told of this action by Francisco Mayorga, who set the official exchange rate at 110,000 cordobas to the U.S. dollar. On this occasion, Mayorga sacrificed his greed for public appearances, because every time he shows his face, it is only to announce measures of hunger and misery against the people.

The parallel market yesterday increased the price of the dollar to 180,000 cordobas for purchases and 185,400 for sales. The news forced black-market operators to reduce their purchase price to 205,000 cordobas. This was the direct effect of the better prices offered by the exchange houses that were able to compete with the illegal sales. The dealers acknowledged the impact as a result of the exchange houses having received large sums of dollars to sell to retailers who had not been able to buy for several days.

Ortega Receives Deputy Credentials, Comments

PA1305184990 Managua BARRICADA in Spanish 10 May 90 p 4

[Text] "We shall defend the Constitution and the people's gains at the National Assembly," former Nicaraguan President Daniel Ortega said last night while receiving his credentials as deputy from Supreme Electoral Council President Dr. Mariano Fiallos Oyanguren.

Ortega said that the Sandinist National Liberation Front [FSLN] will defend the Constitution in National Assembly. A group of deputies belonging to Virgilio Godoy's extremist group announced that they will present a draft resolution of 17 constitutional reforms, including a proposal for a constituent assembly.

Ortega said that the Sandinist deputies will not allow the violation of laws guaranteeing the people's gains, including those laws that give tax exemptions to more than 600 vendors who have been selling in the capital's market for more than 30 years.

He also remembered that members of the current government went around offering tax exemptions during their electoral campaign, and now they threaten to take away special exemptions from vendors who have spent their lives in the markets of Managua.

He pointed out that these laws are in effect and cannot be flagrantly violated by officials from the Managua mayor's office, who are also threatening to deprive them of the thousands of lots and houses granted by the housing and land transfer laws approved by the National Assembly.

Commander Ortega said that the FSLN will continue to defend the right of all Nicaraguans to have a decent home or at least a plot of land on which to build a small house.

He said this in reply to extremists in the current government, among whom is Mayor Arnoldo Aleman, who says that the transfer of houses, lots, and tax exemptions is "not valid" and that everyone must pay.

Ortega said that the economic policies are terrorist and unacceptable because they do not have parallel salary adjustments nor have the workers or the producers been consulted, which was the Sandinist government's style.

He also described it as terrorist because in the face of the disaster caused by the current Central Bank and government officials, "they wash their hands" of it and are placing full blame for the current calamity on the previous government.

Ortega said that a permanent national mobilization is needed to make the contras' disarmament a true reality. "The contras' will is being tested," Commander Ortega added.

FSLN Deputy Ramirez Warns of Social Instability

PA1305202290 Managua Radio Sandino in Spanish 1200 GMT 10 May 90

[Text] Deputy Sergio Ramirez, head of the Sandinist National Liberation Front [FSLN] bloc, has warned about the grave consequences, in terms of social instability in the country, that may result if UNO [National Opposition Union] deputies continue to roll back laws that benefit the majority of Nicaraguans. Ramirez' concern stems from the first blow dealt by the UNO bloc that repealed the amnesty and national reconciliation law approved in March, a law that benefits thousands of Nicaraguans. Here is an excerpt of the speech by the FSLN deputy:

[Begin Ramirez recording] We harbor the concern that the initiative that was submitted, leading to the repeal of the amnesty decreed by former President Daniel Ortega, constitutes nothing more than a systematic plan in this assembly to repeal other laws approved by the past legislature, namely laws that have to do with ensuring the right to a home for thousands of Nicaraguan families, ensuring plots to people who have no land, and ensuring land to the beneficiaries of the land reform.

When we talked of not sowing winds to reap harvests, we were not threatening anyone. We are not interested in making any sort of threat, and I want to make this perfectly clear. We are simply referring to elements of instability in the country's social, political, and economic life that have been introduced. A system of repealing laws, which have provided security for thousands of Nicaraguans, is being pursued. [end recording]

FSLN National Directorate Issues Communique

PA1305021190 Managua Radio Sandino in Spanish 1910 GMT 12 May 90

[Communique from the Sandinist National Liberation Front, FSLN, National Directorate issued in Managua on "13 May;" read by FSLN Executive Committee Coordinator Daniel Ortega; live—broadcast in progress]

[Text] ....state, first of all, our concern for the slowness with which the counterrevolution's disarmament is being carried out because, in reply to the appeal issued by the Nicaraguan president, 200 persons should be demobilized per zone per day—meaning a total of 1,000 contras per day. A minimum of 4,100 contras should have been demobilized by now. The truth is that only 359 contras have been demobilized so far, while they continue with the attacks on the peasant population, assassinations, stealing cattle, barnyard animals, clothes, household goods, food, and even the seeds that the peasants have set aside for this year's agricultural cycle.

Based on the contras' pledge to the government and the people's demands, the FSLN National Directorate demands the contras' immediate demobilization and reasserts once more its willingness to help in every way possible to allow all those who are disarmed to peacefully return to civilian life. Also, we state our solidarity with the contras' relatives who are anxiously awaiting the return of sons, brothers, and relatives who became involved in counterrevolutionary activities, but now want to return to their homes to engage in agricultural activities.

We also support the clamor of the mothers whose sons have been kidnapped in their demands for their freedom, even if they are in the Yamales camps' dungeons or the contras' ranks. We demand that the government submit the necessary documentation to the International Court of Justice and the U.S. Government for the $17-billion indemnity, as this will allow most of the war victims, primarily peasants, to receive compensation, regardless of their political and ideological beliefs, from the $17 billion that the U.S. Government owes the Nicaraguan people for the damage that was caused by the war it organized and financed.

We believe that the government should urgently implement economic and social programs that will benefit all the workers; small, medium, and large producers, as well

as cooperatives and state-owned enterprises that operated in war zones and have been affected. Also, the government must provide the necessary resources so that the demobilized contras can join the production ranks.

Nicaraguan brothers, upon learning of the measures adopted by the current government and the political, economic, and social consequences these measures are provoking, we state that just as the government feels free and entitled to enforce these measures, the working people are equally entitled and free to reject them when they are unconstitutional and clearly against the people. The pretext of accusing the past administration of the Sandinist Government of being responsible for these measures does nothing but show their fragility and the current government's lack of mettle in answering to the people for its own decisions.

For over 10 years, Sandinist government leaders were accused of being poor admnistrators, looters, embezzlers and this was in fact the main theme of attack during the election campaign, which was repeated 1,001 times by National Opposition Union [UNO] extremists, by some officials of the current government and, by the government's official daily newspaper, whose owner is the president of the Republic.

All of the Sandinist government's economic policies, in which the workers and producers were included in an effort to protect the national economy, were consistently condemned by the previously mentioned groups. We Sandinists have always assumed responsibility for decisions we adopted and in view of the campaign of slander, which is now getting worse, we Sandinists assume once more the responsibility for our actions and say that what is being described as looting was a decision undertaken by the government headed by President Daniel Ortega Saavedra between 25 February and 24 April of this year to benefit the people.

The commitments which the revolutionary government had undertaken in the presence of the most diverse sectors of Nicaraguan society had to be complied with. Consequently, we gave out agrarian titles, urban titles, housing, plots of land, construction materials, farming machinery and vehicles to transporters, taxi drivers, professionals, artists, the war maimed and (?historic) fighters. The debts of cotton growers, basic grain producers, cooperatives, small industries and market vendors were written off, as were the debts of all those who received vehicles and farm machinery. No distinction was made as to whether they had voted for UNO or for the FSLN.

So, we assume responsibility for the measures that were adopted by the revolutionary government and the laws that were enacted during that period with the spirit of protecting the people and giving Nicaraguan society a minimum stablity at a time when a peaceful transition toward a new government demanded it.

Under these circumstances, the agreement for an orderly transition of the government was signed on 27 March, and steps were taken to appoint a team from the incoming and outgoing governments so that the former could receive an inventory on the state institutions. In most cases, this has been done except in a few instances in which the reprsentatives of the new government have refused to receive the members of the transition team. Also, upon request from the new government, bearing in mind that what is at stake was the nation's interests, we agreed that the directors of enterprises and other high-ranking officials, including the minister-director of the country's energy institute, comrade Emilio Rapaccioli, should remain at their posts. All of those comrades had already submitted their resignations and it was only because of the patriotic call from the FSLN that they decided to remain at their posts.

We state that we reject the insults hurled yesterday by the labor minister, which have elicited a just indignation from the technical and professional cadres who, with a high sense of responsibility and patriotism, have continued working with the current government in executive positions.

Nicaraguan brothers: It is normal that in a serious economic crisis like the one our country is experiencing, as a result of the war and the blockade imposed during 10 years by the North American government, combined with the effects of international economic crisis, for the current government to institute measures, including devaluation.

What we reject is the dictatorial method, typical of the Somozists, by which the Central Bank president has adopted measures without consulting the workers or producers, and has allowed the full weight of the devaluation fall on the workers, provoking the bankruptcy of enterprises, and causing a recession in the economy. Devaluations are necessary and we state it, even though the Sandinist government made devaluations, along with other measures to protect the workers and producers, that were always condemned by the current government's officials, including the Central Bank president and the current government's official newspaper, which has termed them [words indistinct].

Aware of the economic situation, during the 25 February to 25 April transition period we asked the incoming government to appoint a commission to discuss and approve, by consensus, appropriate actions within the framework of measures that the Sandinist government had been successfully implementing since 1989 to curb inflation and reactivate production. The incoming government appointed the current Central Bank president as coordinator of the commission, but the meetings were not fruitful given the trips that he decided to take to the United States and other countries.

Given this irresponsible attitude, President Daniel Ortega Saavedra discussed the issue with the planning council and decided to renew the devaluations with the corresponding salary adjustments, a measure that was again criticized by the current government's newspaper,

and for which the current president protested to President Ortega during a meeting held on 19 April. Comrade Daniel answered by explaining the reasons for which these measures were deemed necessary at the time, adding that the new government must follow suit.

The FSLN was not the one that proposed a 100-percent minimum salary readjustment given the roughly applied devaluations whose implementation could have been undertaken gradually. The Central Bank president and the labor minister promised publicly to implement a minimum salary adjustment, but they eventually did otherwise, deceiving the workers in the process, by announcing a 60-percent salary adjustment.

Given these facts, we reject the slanderous campaigns launched to cover up mistakes perpetrated in form and substance by high-ranking officials of this government; we demand respect for the democratic system implemented by the Sandinist government, of consulting on the measures with the workers and producers of all the political and ideological tendencies without exception; and we demand that these decisions not be adopted as a result of black masses [misas negras] between the Central Bank president, the Yankee embassy, and UNO extremists.

We state our solidarity with the just protests of workers and producers who were not considered when the decision to undertake those measures was made. They have been deceived about a salary adjustment and they have been affected by the policy of credits and interests under the so-called gold cordoba, which is a covert way of basing the economy on dollars, leading the producers to bankruptcy, and sacrificing the workers.

Nicaraguan brothers: The latest decrees approved by the National Assembly and the president of the Republic violate the agreements signed on 27 March, which were intended to ensure a peaceful turnover and to promote the stability needed to solve the country's economic and social problems.

Even though it does not really have a legal effect, the annulment of the amnesty law enacted before 25 April indeed reflects a tendency toward hatred and retaliation by those who support amnesty for Somozism's genocidal killers. The suspension of the law on civil service is unconstitutional and runs against the demand posed by all political parties during the national dialogue held in 1989, at which time there was a clear consensus in favor of the law on civil service.

Although it is true that regulation is necessary, it should not be a pretext for making arbitrary and politically motivated dismissals and, worse still, to annul the law itself. The laws on provisional leasing of lands and revision of confiscations are laws that are also being instituted in a dictatorial and unconstitutional manner because, like the previous ones, they are the exclusive province of the National Assembly.

Even worse are its effects that are working against the alleged spirit of reconciliation and peace proclaimed by the current rulers, as well as against the mixed economy enshrined in the Constitution of the Republic because it is aimed at eliminating the people's property sector. These laws seriously jeopardize the current agricultural cycle and constitute the worst destabilizing elements against the country's economic and social peace because they pose a direct threat to the enterprises of the people's property sector and their workers, to the small-, medium-sized and even large producers who have benefited and to the cooperatives which have received lands that will now be the object of unjust claims by the Somozists through the National Revision Commission. In it, the classification regarding their social and economic use and the characterization of peasants and cooperatives as underprivileged will be decided by people who are judge and party to this serious conflict, which is now rocking the whole of Nicaraguan society.

This law opens the door for even the Somoza family to file claims for properties confiscated for the benefit of the people because, according to the decree, and here I quote part of it, this commission is empowered to take steps to review all confiscations [words indistinct] (?and most specifically) the confiscatory and expropriatory decrees of the agrarian reform and those which one way or another deprived natural and legal owners of properties and shares of stock.

The FSLN National Directorate rejects these decrees as they are intended to kill the democratic gains in the political, economic and social sphere. They are intended to establish again the [words indistinct] and social, political and economic organization of the Somozist era. It supports all Nicaraguans who today feel that their rights are threatened and who, therefore, are not prepared to allow arbitrary laws which are not approved by national consensus to be imposed on them.

The elections were held to continue promoting peace, justice, reconciliation, stability and democracy in our homeland. The vote which the people cast on 25 April was a vote for peace and a vote for the future. It was in no way a vote for a return to Somozism.

The FSLN National Directorate asks the government to be consistent with its speeches about reconciliation, to lift these laws and to (?promote) a dialogue for the solution of the problems with the state workers, with the rural workers, with the industrial workers, with the producers, with the merchants, with the industrialists, with the artisans and with all economic and social sectors in order for [words indistinct] all Nicaraguans [words indistinct], in order for actions to be truly democratic and national.

No to Somozism, yes to reconciliation, unity, and peace in the nation. [repeated three times]
Free fatherland or death.
FSLN National Directorate.
Somewhere in Nicaragua.

13 May 1990. [date as heard]

Ortega Discusses Measures in Press Conference

PA1205235690 Managua Radio Sandino in Spanish 1930 GMT 12 May 90

[News conference by former President Daniel Ortega Saavedra and Sandinst Commander Henry Ruiz with unidentified reporters; place not given—live; broadcast in progress]

[Text] [Station announcer] At this moment Commander Daniel Ortega is answering some questions from reporters. Let us see if we can [words indistinct] go ahead.

[Ortega] ...high-ranking government officials like those who spoke during the news conference yesterday have used a tone, have used a warmongering tone, a tone of violence. The Nicaraguan people do not want war. They do not want violence, but they are not ready to allow Somozism to clamber over their heads.

Therefore, the National Directorate of the Sandinist National Liberation Front [FSLN] asks the people to reject these measures and supports (?all forces) in the ministries, the mass organizations and labor unions [words indistinct]. It also asks the government to act with maturity and good sense [words indistinct] and above all, to engage in dialogue to find solutions to problems.

The president and her Cabinet have spent much time talking with the contras who have done so much harm to the people. The state workers deserve more respect. All Nicaraguan workers, all social and economic sectors deserve more respect [words indistinct] for the president and her Cabinet to talk with them and engage them in dialogue to seek a peaceful solution to that conflict.

Threats are useless here because issuing threats is playing with fire and sponsoring a civil war in this country, and we do not want this. Neither the Nicaraguans nor the FSLN want this.

[Reporter] [Question indistinct]?

[Ortega] I believe that the communique issued by the FSLN today is a contribution. We did not come here with a communique that calls for a war, despite the provocations issued yesterday by the government's representatives. Instead, we issue an appeal for a dialogue and say that just as the president and her Cabinet spent 14 hours meeting with the contras, being seen with the contras, talking with the contras, eating lunch and dinner with the contras, and lodging the contras at the Intercontinental Hotel, the state workers and all the Nicaraguans who have been defending this homeland, this country, and who have been constantly working for the country's welfare deserve more respect and the government should listen to them and talk with them.

It is inconceivable that the president and her Cabinet would talk with the contras, yet refuse to talk with the workers. Therefore, I believe it is a weakness to threaten violence if you do not have the courage to threaten, with corresponding measures, to disarm the contras. The people are aware of this and they are organized; they will let no one intimidate them. We are willing to lead the people and counter any action that might be adopted as an aggression against the Nicaraguan people.

Therefore, we are here to issue an appeal for wisdom, an appeal for thought, and we are here to explain this complex process. We are even endorsing the devaluation measures, but we do not support the method and form being used to carry them out. We believe the devaluation is necessary, but not in the way it has been done, disregarding the workers, disregarding the producers, not taking them into consideration, and implementing the devaluation in a violent and sudden way without adjusting the salaries.

The devaluation could have been carried out perfectly well over several weeks and the salaries would have been adjusted according to the devaluation measure. That is not how it is being done. It is being done in a dictatorial and antidemocratic way. It is being done like it was during the Somozist times and the FSLN National Directorate is issuing more than an appeal to think about this before we face a far worse and much more critical situation. We are also here to help solve these economic and social problems; and we are here to help concerning the counterrevolution's disarmament.

[Reporter] Commander, [words indistinct] if the labor minister carries out his threats and fires the workers on strike?

[Ortega] I hope the labor minister is patient with the workers, that he listens and talks with them, that he does not adopt repressive measures against them, and that he does not call in extremist groups to evict the workers, just as he had time to talk with the contras for 14 hours and did not react in a violent manner against them [words indistinct]. Otherwise, he would certainly be advocating a chaotic situation, a complete destabilization, and a crisis in this country.

[Reporter] [Question indistinct]?

[Ortega] It so happens that enterprises operated by the people's sector, such as cotton and coffee, average the highest level of productivity. While the average coffee production figures are about 20 quintals gold, the average production figures for private small, medium, and large enterprises is about nine quintals gold. In the state sector cotton production is above 35 quintals unharvested; in the private sector they have had serious problems and have averaged 25 quintals gold unharvested and we even had to forgive debts to provide the incentives for this type of agricultural work. There is something of an even deeper significance: This is an attack against the peoples' and workers' property, where 70,000 workers are organized and own those enterprises,

plants, and farms. The idea now is to strip these people of their land and return it to those who have traditionally owned large plots in this country, those who have exploited the peasants, stolen land, and had peasants murdered by the Somozist National Guard. Even the Somozists have the possibility, after having their confiscation cases reviewed—even the Somoza family—of having their property returned.

We see then that these Somozist measures cannot be accepted by the Nicaraguan people or workers and therefore the FSLN rejects them.

[Reporter] [Question indistinct]?

[Ortega] We took part in the meetings as guests of the Socialist International. I spoke recently with [Spanish] Prime Minister Felipe Gonzalez, [Venezuelan] President Carlos Andres Perez, and with the president of the Swedish Social Democrat Party on the subject and many Socialist International friends are willing for Nicaragua to become an official permanent member. We are not joining for the time being because there are certain requirements and formalities that need to be fulfilled.

[Reporter] May I quickly quote two lines from an article which says the FSLN needs to take the offensive, for which there are clear rules to follow, and it says that hopefully, the constructive opposition will not follow the path of the Kamikazes. Do you think that some rank and file, sympathizers, or FSLN sectors have become exasperated and want to move to a more offensive policy?

[30-second break in transmission]

[Commander Henry Ruiz] We had not expected a defeat. This produced an undesired effect. However, in addition to this, due to the measures that were being taken, some mid-level elements [words indistinct]. We have been concerned with peace and disarmament. Although that speech [not further identified] was clear and supported, the truth is that not all FSLN members or people understood it, so much so that the rank and file members have only an intuitive idea of the retroactive measures that the government is applying, and not only the rank and file, but also the patriotic sectors that in one way or another have formed this country's revolutionary public opinion. We have arrived at certain conclusions as to why we were defeated in an electoral process, which we admit was clean and democratic [two-second break in transmission] and the economic crisis is one of the main causes. The truth is that guidance has been needed.

We were concerned about the war and about achieving an orderly and peaceful transfer of government. All have been large-scale tasks with no easy solutions, and thus, attention to our members, that is, provision of organized, and orderly attention to our members was relegated to a secondary position. That is why I have said that it is necessary to go on the offensive to explain and to reach an understanding of what some viewed as surrender, rather than as a methodical search for peace in our country. Thus, more explanations are needed. To this end, certain communiques have already begun to be issued, like the one that Comrade Daniel just read.

[Reporter] Will you be calling for a general strike?

[Ortega] We are calling on the government to act responsibly, not to promote chaos and to respect the people. Just as the government talked with the contras, there is even more reason for it to talk with the people.

Daily Says FSLN Should Take Political Offensive

PA1205191490 Managua BARRICADA in Spanish 9 May 90 p 3

[Article by Silvio Prado: "Time for the Front To Take the Offensive"]

[Text] When, on 27 February, Daniel Ortega defined the role of the FSLN [Sandinist National Liberation Front] in the opposition as constructive, we understood that we were assuming this responsibility based on Sandinism's weight and strength, and we thus proceeded to act with maturity and restraint.

We also understood that the conditions required for this constructive opposition would be determined by the new government's attitude regarding the attainments and institutions of the Sandinist People's Revolution.

However, after two weeks of a rightist government, we ask: What is the climate? We only have to read the newspapers' headlines to realize that this government is practicing a policy of "national confrontation" and does not have the least intention of searching out common grounds for the famous reconciliation.

We do not know if it is a premeditated act or just clumsiness which prompted the new government to start firing against the sectors in which the revolution had moved the most: first, the dictatorial measures taken by the new banking Mighty Mouse against state employees and the people's economy, which were followed by a string of [word indistinct] inquisitors from the monsignors in the Education Ministry against the education sector; the bravado of Chirac [not further identified] in the operetta, the mayor of Managua; abuses against transport and construction workers; and the ballet moves of the architect of the "Workers' Palace" to show that 60 percent minus 250 percent is equal to five percent (candidate for the Nobel Prize in exact sciences). And if you wish, we can spice up this sauce by adding the complacency toward, and tender kisses for, the people's murderers.

There are too many coincidences for these to be thought of as isolated or impulsive actions. The first 15 days of this right-wing government could be fatal for the revolutionaries if we continue to wait for constructive signs that merit a similar opposition.

As we had expected, they took the initial step. They started to set a pace, although discordant because of the internal quarrels, solely to exterminate the revolution.

The constructiveness of our opposition cannot involve a solo dance. We do not want the right wing to start believing that we are on the defensive and that the workers' efforts to counter the first attacks of neo-Somozism are initiatives lacking the clear support of the FSLN's organized militancy.

In the past two months we have been repeating a truth that should move us to take action: We are the largest, best organized, and most cohesive party. Our promise to wage a constructive opposition should not constitute a blank check for any of the ruling groups.

The FSLN must adopt an organized offensive with clearly defined rules and regulations. The efforts of our comrades in UNE [National Union of Employees], Anden [National Association of Nicaraguan Teachers], Texnicsa [Textile Factory of Nicaragua, Inc.], and the transport and construction sector deserve our full and effective support. We do not want the constructive opposition to follow the path of the kamikazes.

President Chamorro Undergoes 'Minor' Surgery

PA1305003090 Panama City ACAN in Spanish 2354 GMT 12 May 90

[Text] Managua, 12 May (ACAN-EFE)—Official sources have reported that Nicaraguan President Violeta Chamorro had "minor" surgery on her right leg in a Managua hospital today.

Chamorro, 60, was treated at the Baptist Hospital in Managua, where personnel removed the stitches from an operation she had, in January at the Houston Medical Center, as a result of a fracture of her right kneecap.

Other sources confirmed to ACAN-EFE this afternoon that the president had already returned home and that "the operation was successful."

The Managua newspapr LA PRENSA, which is owned by Chamorro, said that the president will not change the pace of her work and that over the weekend she will study new policies to be announced next week.

Chamorro's government is facing its first general strike by government workers who are demanding 200-percent wage increases and protesting the "temporary" suspension of the civil service law, which protects high-ranking Sandinist officials in the new government.

Trade union sources announced this afternoon that negotiations will probably begin tomorrow between Labor Minister Francisco Rosales and representatives of the National Employees Union, which is directing the strike, in an effort to resolve the conflict.

Creation of New Political Party Announced

PA1105140090 Managua Radio Corporacion in Spanish 2308 GMT 7 May 90

[Text] The so-called National Executive Council of the Democratic National Renovation Party [Partido Democrata de Renovacion Nacional] has announced its creation. It will be led by lawyer Leonidas Arevalo, former member of the Somozist Liberal Party youth group.

This new organization will supposedly bring together the former members of the National Opposition Union [UNO] and the Sandinist National Liberation Front [FSLN]. Much publicity has been given to the party on [word indistinct] newspapers. This means that Arevalo or any other person may create a political party after 10 years of absence from political activities.

According to some reports, the new party is a social democratic organization and is willing to accept members of the Nicaraguan Democratic Movement and the Social Democratic Party, who are dissatisfied with the current political situation in the country.

Panama

Endara Says Nation Will Participate in Summit

PA1405030190 Panama City Circuito RPC Television in Spanish 2300 GMT 9 May 90

[Text] President Guillermo Endara Galimany has given assurances that Panama will participate in the Central American summit to be held in Guatemala on 15 June. Endara's announcement came at a news conference in San Jose, Costa Rica, where he attended the transfer of power at the National Stadium, where Oscar Arias Sanchez presented the presidential sash to Costa Rica's new president, Rafael Angel Calderon Fournier.

The Panamanian delegation led by President Endara was the most applauded. Meanwhile, First Lady Marcela Endara de Yap spoke with the other first ladies, including Mrs. Barbara Bush, wife of the U.S. President.

Foreign Minister Julio Linares joined the other guests for the protocol greeting of the new Costa Rican president. President Endara's new colleague, Rafael Angel Calderon, bid him farewell with all of the honors. Prior to Endara's return to Panama, he met with Calderon Fournier behind closed doors for 30 minutes. President Endara said that Panama and Costa Rica will continue struggling for the area's democratization, and he admitted that Panama now feels closer to Central America.

Arias Asks for 'Mutual Loyalty' Within ADOC

PA1105142990 Panama City Telemetro Television in Spanish 2300 GMT 7 May 90

[Text] First Vice President Ricardo Arias Calderon has said once again that there must be mutual loyalty within the ADOC [Civic Democratic Revolutionary Alliance]. In a rather sharp tone of voice, the president of the Christian Democratic Party [PDC] said that he has told the truth and that his party has presented its position.

He made these statements after a meeting of the presidents of the government parties. Second Vice President Guillermo Ford participated in this meeting.

[Begin recording] [Unidentified reporter] What has been the reaction over the last few hours of these sectors that you reported as being in alliance with the PRD [Democratic Revolutionary Party] in the National Assembly and who wanted to involve the PRD in government actions?

[Arias] There have been different reactions. However, the PDC's position is now clear.

[Reporter] What is that position?

[Arias] The same one I stated yesterday. I said that in all government alliances there must be mutual loyalties.

[Reporter] Does that mean that these differences have been overcome?

[Arias] We are holding a coordination meeting among the ADOC parties. It is a very positive step. Everyone expressed his true feelings. I expressed mine. It is now clearly known and I believe that there will be continued mutual loyalty. [end recording]

Ford Denies Alliance With PRD

PA1105155590 Panama City Telemetro Television in Spanish 2300 GMT 7 May 90

[Text] Vice President Guillermo Ford has said that the [Civic] Democratic Opposition Alliance currently in power is clearly defined. He warned that this political organization cannot have an alliance with the PRD.

[Begin recording] [Ford] No, I do not think this is uncommon. It is simply that there are various issues that we have decided to discuss at the political level with First Vice President [Ricardo Arias Calderon], with me, and with the presidents of the political parties. The objective here is to normalize various situations, like the ratification of the attorney general and the Supreme Court magistrates. In sum, this is being done in coordination with the legislative branch.

[Unidentified reporter] Could this happen in the absence of President Endara?

[Ford] I believe so. All documents have been submitted, and all candidates have been nominated by the executive branch. The legislative branch has to ratify them.

[Reporter] During the weekend, Vice President Arias Calderon denounced possible alliances between ruling parties and the PRD. We would like to know if this topic has been discussed at this meeting, and if differences in this regard have been ironed out.

[Ford] First of all, there are no differences to iron out. I believe there has been a coincidence in the voting [at the Assembly.] We cannot permit the PRD to be part of the government alliance. The government alliance is clearly defined and consists of Arnulfists [former President Arnulfo Arias followers], Liberals, Molirena [Nationalist Liberal Republican Movement], and the Christian Democratic Party. This is simply the way we are going to operate. We are working in perfect harmony. It cannot be expected that unanimous criteria will always exist. This is what democracies are for, to [express] disagreements.

[Reporter] That does not mean there is disloyalty among sectors currently in the government?

[Ford] Not at all. I believe there is a perfectly structured government which has an excellent relationship with the legislative branch. However, I repeat, the most important matter we Panamanians have struggled for is to have real and effective democracy, which allows room for disagreement among the various political groups.

[Reporter] Deputy Planning Minister [Jose] Galan Ponce has submitted an irrevocable resignation to the president, who has accepted it.

[Ford] The deputy planning minister submitted his resignation to the incumbent minister, not to the President of the Republic. I accepted his resignation. He has personal reasons of which I am not aware for doing this. I have to respect his decision because he is an upright, very efficient, and honest citizen. You will have to ask him his reasons for resigning. However, he has resigned.

[Reporter] Were there any personal disagreements between you and him?

[Ford] Why are we always looking for disagreements? He simply had personal reasons. I respect his reasons. I am searching for his replacement.

[Reporter] Who could that be?

[Ford] I cannot mention that yet because I am in the process of selecting him. Then I must submit his name for the consideration of the president, who has the final word on this. [end recording]

Herrera Denies Links With Colombian Drug Runners

PA1105200690 Panama City Circuito RPC Television in Spanish 2300 GMT 7 May 90

[Text] Former Panamanian strongman Manuel Antonio Noriega's access to the telephone could play an important role in the destabilization campaign against the country's new democratic leaders. Colonel Eduardo Herrera implied this in denying reports that he had been involved in subversive training exercises with Colombian drug traffickers in the efforts to topple Noriega.

[Begin recording] [Herrera] That makes me laugh because how could we have ever been allied with Noriega's friends? I believe that answers your question. It is a false report that makes no sense. There was never any connection between Panamanian military officers and drug traffickers. We did not train in Colombia. I am

a military officer and I have received training. I am a commando and a paratrooper. I did not need any kind of training.

[Unidentified reporter] How about the others?

[Herrera] They had also all received training. They did not need any new training. Why should they? We did not receive any training in Colombia. We received training in the United States, in violation of U.S. laws. [sentence as heard]

[Reporter] What do you know about current subversive activities in the country?

[Herrera] We have reports from various sources that there might be some subversion, but nothing is imminent. There is primarily common criminal activity going on at this time.

[Reporter] How about patrolling the city streets?

[Hererra] I hope we get the patrol cars as soon as possible. I believe that we are going to get the first vehicles in two weeks, and service to the community is going to be very effective. [end recording]

The chief of the National Police also referred to the latest jailbreaks.

[Begin recording] [Herrera] Bear in mind that the prisons were destroyed on 20 December. They have not been repaired due to lack of funds. Friends of the institution and the government have made some repairs but nothing extensive. We have some problems with that.

[Reporter] There is still talk of restructuring the Public Force. What is your opinion on this?

[Herrera] Our commander, the president, has the last word.

[Reporter] Some sectors claim that you do not have any power in the Public Force.

[Herrera] How could that be?

[Reporter] Are there rifts within the Public Force?

[Herrera] Who said that?

[Reporter] Those are common rumors.

[Herrera] As far as I know, neither Valdonedo nor Quezada [deputy commanders] have ever tried to trick me. I think that now that the country needs us, we should be more united. You must keep something in mind: We inherited a country in which the former regime had sown hatred, and we are now reaping that hatred. The sad part is that there are some Panamanians who want to once again sow hatred and this is bad.

[Reporter] The government and justice minister repeatedly defends the current status of the Public Force, and yet there are sectors who attack it. To what do you attribute this? To an inner-party struggle, or what?

[Herrera] I do not know if it is an inner-party struggle. That is a political matter and we cannot meddle in politics. Our problem is the security of the country and the people. That is our business. [end recording]

Attorney General Accused of Drug Cartel Links

PA1105202890 Panama City EL SIGLO in Spanish 10 May 90 p 13

[Text] Panama City, 9 May (ANSA)—Special Prosecutor Rodrigo Miranda has accused Panamanian Attorney General Rogelio Cruz of being linked to international drug trafficking, specifically to Gonzalo Rodriguez Gacha, the late head of the Medellin Cartel.

Cruz suspended Miranda from his post on 8 May because he did not provide evidence against Leslie Loaiza, chief of the Judicial Technical Police (PTJ), whom he had accused of being involved in the kidnapping and murder of the grandson of Colonel Marcos Justines, Panama's number two strongman.

Loaiza has admitted that the PTJ has been infiltrated by members of international drug trafficking, and he recently said his life is in danger.

According to Miranda, the death of Justines' three-year-old grandson was the result of a blackmail scheme to force Justines' relatives to turn over $80 million, which is allegedly the product of drug trafficking and which ousted General Manuel Noriega allegedly left to the military leadership following the U.S. invasion.

Miranda's accusations led to the government's first crisis, to the point that there was even a rumor of a coup d'etat.

Miranda, in charge of investigating the assassination of guerrilla doctor Hugo Spadafora, said Attorney General Cruz managed a bank which was owned by Rodriguez Gacha and which laundered money. Miranda also accused the Medellin Cartel, Gen. Noriega, and his subordinates of being responsible for Spadafora's death.

Editor's Note: Upon receiving the international news agency report published above, EL SIGLO tried unsuccesfully to conduct an interview with Attorney General Cruz. His secretary said Cruz did not want to make any comment regarding the above report.

Arias Advocates Long-Term Democratic Alliance

PA1405125590 Panama City Telemetro Television in Spanish 2300 GMT 10 May 90

[Text] Vice President Ricardo Arias Calderon has commented on the public letter issued on 9 May by the current Public Force [FP] administration, in which they express their intention to join the Endara government's reconstruction and reconciliation process.

[Begin recording] [Arias] I believe that any call for reconciliation responds to the basic instructions imparted by President Endara to the entire government,

to the effect that reconciliation must be carried out justly. Thank you very much.

[Unidentified reporter] Is this possible in the case of the FP, Dr. Arias Calderon?

[Arias] The policy of President Endara's government is that it is possible.

[Reporter] What is your opinion of the accusations leveled against the attorney general concerning his having participated in drug trafficking, now that these accusations are gaining increasingly dangerous connotations?

[Arias] Every individual who has an accusation against anyone must appear—proof in hand—before the competent authorities.

[Reporter] Does the Christian Democratic Party [PDC] feel that it is being displaced from the government now that two Christian Democrats have resigned from the government?

[Arias] We are members of the government, and we openly support the democratic alliance government which, in my opinion, should last for a long time. [end recording]

Legislators Approve Committee To Analyze FP

PA1405033990 Panama City EL PANAMA AMERICA in Spanish 10 May 90 p 1

[Report by Juan Pritsiolas]

[Text] The Panamanian Assembly last night approved the creation of an ad hoc committee to assess national public opinion on the operation of the Public Force [FP], National Police, National Air Service, National Naval Service, and the Institutional Protection Service.

The proposal was presented by its sponsors in the Assembly: Raul Issa (Christian Democratic Party), Leo Gonzalez (Nationalist Liberal Republican Movement), Arnulfo Escalona (Authentic Liberal Party), and Francisco Artola (Arnulfist Party) and was approved by 46 favorable votes with one abstention.

The motion forces the ad hoc committee to explore the positions of the civic, political, religious, and labor organizations, and the position of private individuals on the aforementioned issue.

The legislative committee will write up a report for the Legislative Assembly's Government Commission with copy going to the executive branch. This report will serve as the basis for the drafting of a bill that Guillermo Endara's Cabinet will issue on the structuring of the FP.

The committee will also gather information and compare the laws regulating the public security organizations in other democratic countries. This information will be used for reference purposes.

The committee will contact and request information from international democratic organizations on the transition process from a dictatorial regime to a democratic government in regard to changes from a military to a civilian protection organization. The committee has been given a 90-day deadline within which to complete its report.

Former Members Protest

PA1205152090 Panama City EL PANAMA AMERICA in Spanish 12 May 90 p 1

[Report by Daniel Espinosa]

[Text] Members of the Victoriano Lorenzo Brigade, who fought in Nicaragua against the Somoza dictatorship, closed down Balboa Avenue near the U.S. Embassy yesterday afternoon to pressure the authorities to reinstate them in the FP, claiming that they were fired for no specific reason.

Brigade spokesmen Jairo Contreras, Pedro Pablo Lopez, and Jose Gonzalez told our newspaper that they will maintain an indefinite presence there, that is, until a member of the government replies to their demands.

Jose Gonzalez said, "If need be, we will adopt other methods of pressure, and I personally, with our national flag wrapped around me, will immolate myself in front of the U.S. Embassy." He explained, "Someone has to make a sacrifice to ensure that others involved in the struggle achieve our objectives."

Gonzalez added, "We have tried to make contacts through all the available channels, even with the government and justice minister, to whom we sent a letter on 26 January. However, we have not yet received a response to our dismissal, which was allegedly based on the fact that our payroll was eliminated. Moreover, we were never paid for our last month of work."

M-20 Allegedly Broadcasts Threat Against Police

PA1305184390 Panama City CRITICA LIBRE in Spanish 12 May 90 pp 40, 28

[Report by Justino Gonzalez]

[Text] An alleged clandestine broadcast, made by the subversive group M-20 [20 December Movement] threatening to kill Metropolitan Police Chief Lieutenant Colonel Armando Palacios Gondola and other high-ranking officers, was picked up on 11 May on the metropolitan police radio frequency.

Meanwhile, Dr. Melquiades Riega was kidnapped, and later released, on 11 May by three individuals who identified themselves as members of the M-20, which has claimed responsibility for the 2 March attack against the My Place Bar and Discotheque.

A bulletin released by the Metropolitan Police says that at 0926 Officer Jimenez, identification number 1055, picked up a broadcast that said: "You cowards, you

danced with Noriega, and you are now dancing with Endara and Arias Calderon."

According to the report, the broadcast continued with: "We will eliminate each of you one at a time. We want you to behave like men and not chickens." The M-20 also reproached an alleged statement made by Lt. Col. Gondola, who is said to have stated that Sergeant Riquelme, who was killed by criminals, died as a result of his own carelessness.

The message picked up on the police radio frequency warned about a holdup at the National Banking Center, noting that police officers will be notified of the holdup in advance.

The message received on 11 May on the police radio frequency added: "Now you will all die. How I hate the Public Force [FP] and its members. Be on the alert, boys. Kill or be killed."

Dr. Riega's car was stolen at the entrance to the town of Santa Cruz, Bejuco Corregimiento, at 1120 on 10 May [date as published], and he was kidnapped by three persons wearing FP uniforms.

Riega said that his captors constantly threatened him with a gun and asked him to remain clam, telling him that his abduction was part of an alleged rescue operation for former Major Gonzalo Gonzalez, who sought asylum at the Peruvian Embassy.

The three persons later released Dr. Riega, his hands and feet tied, in the Capira area.

The M-20 warned that it is currently organizing its units with young members to carry out subversive actions in the country.

Penal Code Cited on Miranda Case Recording

PA1405030290 Panama City Circuito RPC Television in Spanish 1730 GMT 9 May 90

[Communique issued by the Attorney General's Office in Panama City on 9 May]

[Text] Concerning public statements by the currently suspended special prosecutor, Rodrigo Miranda Morales, on the recordings he claims to have made of one of the attorney general's conversations, the Office of the Attorney General cites Article 169 of the Penal Code, the text of which reads:

Article 169: Anyone who records statements made by another person which are not intended for publication without consent, or anyone who uses technical means to listen to private conversations which are not addressed to him, will be subject to 15 to 50 days in jail, or an equivalent fine.

The attorney general at no time authorized recordings of his telephone conversations with other Attorney General's Office officials, nor are those conversations or words intended for the public.

Ford Says No Plans To Renegotiate Foreign Debt

PA1405043490 Panama City ACAN in Spanish 2126 GMT 10 May 90

[Text] Panama City, 10 May (ACAN-EFE)—Guillermo Ford, Panamanian vice president and planning and economic policy minister, today said that Panama "has not received a single dollar in aid from abroad" and added that during his trip to New York, which begins on 14 May, he will not be renegotiating the debt with the private banks.

Ford said that, for the time being, Panama will not renegotiate its foreign debt with the private banks. This will not be done until "the necessary parameters" for this renegotiation are established.

"First comes the reconstruction of the country and payment of its international obligations," Ford said. He recalled that the government admits that the debt exists; however, this "does not obligate us to pay 100 percent of the debt."

Panama's foreign debt with the international private banks amounts to $2.8 million. [figure as received]

Ford said that during his meeting with the private banks in New York he will offer them a "broad and specific picture of the country's fiscal and economic situation."

In statements to the press, the minister insisted that, except for U.S. aid to the victims of the 20 December invasion, "Panama has not received a single dollar in aid from abroad."

The approval of the $420 million in U.S. aid to Panama will be delayed at least until next week because the House of Representatives needs more time to study the 180 amendments included by the Senate in its aid plan, which was approved on 1 May.

Despite this, Ford said that Panama "has begun its economic recovery" and warned of the need to "avoid all instability that would weaken the Panamanian open economic model." Ford was referring to the political tensions that exist in the new administration.

Vice President Arias Postpones Trip to Europe

PA1205174290 Panama City Circuito RPC Television in Spanish 1730 GMT 11 May 90

[Text] First Vice President Ricardo Arias Calderon has postponed his planned European tour which was to have begun on 12 May. According to his office, Arias Calderon postponed his trip because President Endara is also scheduled to be absent from the country on the same dates.

According to political observers, another reason for the trip's postponement might be next week's vote on the confirmation of the current attorney general. Vice President Arias Calderon's Christian Democratic Party will play a key role in the vote.

The main objective of the vice president's trip was to encourage the EEC's participation in providing funds so Panama can pay its foreign debt. European diplomatic sources have told Circuito RPC Radio that at this time Europe is cool to the idea of granting funds to Panama. I do not think Europe will give aid as long as the United States does not do the same, the diplomatic sources said. Meanwhile, the Spanish Government has questioned the postponement of the trip because the Spanish prime minister had already scheduled a meeting with Arias Calderon.

Peruvian Embassy Responds to Letter on Asylee

PA1105151290 Panama City LA ESTRELLA DE PANAMA in Spanish 10 May 90 pp 1, 2

["Text" of letter from the Peruvian Embassy in Panama City to Foreign Ministry; dated 7 May]

[Text] The Peruvian Embassy salutes the honorable Foreign Ministry and, in reference to note No. A.J.122 from that Ministry, is pleased to announce that we have duly acknowledged note DPG 1794 of 30 April 1990 from the Attorney General's Office, through which this embassy has been informed that our refugee Gonzalo Gonzalez Rivera is accused of being the mastermind of the murder of the child, Marcos Alberto Rodriguez Justines, according to Cancio Ciacci Tason's statements.

In this regard, the Peruvian Embassy reiterates that, through note No.5-20-M/002 dated 8 January 1990, it notified the Panamanian Foreign Ministry that diplomatic asylum had been granted to 12 persons who came to this mission's residence, including former Defense Forces Major Gonzalo Gonzalez Rivera, and requested that safe-conduct passes be granted for them to travel abroad. We might stress that such granting of asylum and the requesting of safe-conducts, as was indicated in this embassy's note No.5-20-/M-027 dated 2 March 1990, was based on the qualification granted to this embassy as an organ of the state which according to the Convention on Diplomatic Asylum signed in Caracas in March 1954, is provided the right to grant asylum. Therefore, the Peruvian Government cannot take into consideration any actions of which the refugee may be accused, or any legal situation that may prevail after the subject has been granted asylum.

However, and without contradicting what has been previously stated, the refugee Gonzalo Gonzalez is willing to render testimony before an authorized legal official so as to clarify his situation. The Peruvian Embassy will allow that official to enter the premises of the embassy for this purpose.

At this time, the Peruvian Embassy, based on the clear dispositions of the Caracas Convention on Diplomatic Asylum—the international agreement in effect between Panama and Peru—reiterates once again the request for a safe-conduct for the aforementioned refugee.

The Peruvian Embassy avails itself of this opportunity to reaffirm its highest and most distinguished consideration to the honorable Foreign Ministry.

Panama, 7 May 1990.

Argentina

Menem Defends Policies; First Lady Blasts Press

PY1305204090 Buenos Aires BUENOS AIRES HERALD in English 12 May 90 p 11

[Text] (NA-DYN)—President Carlos Menem yesterday criticized former President Maria Estela Martinez de Peron for her statements on an alleged "danger of social outbrust in Argentina," and recommended the widow of three-time President Juan Peron to "come to the country and contribute with whatever is necessary instead of talking comfortably from Spain."

Menem emphasized that "Isabel Peron in completely wrong" and pointed out that "it is the objective of this government to transform the foreign debt into investment, backwardness into a programme and inefficiency into competence."

In that framework he praised the policies and negotiations with the creditor banks being carried out by Economy Minister Antonio Erman Gonzalez and anticipated that a letter of intent to the International Monetary Fund will be signed before May 25.

On Thursday Mrs. Peron had said in Madrid, where she lives, that "in Argentina there is real hunger and they are coming back to forms of exploitation which we believed had ended for good when General Peron became president" in 1946. She commented that "unemployment is worse than ever and only soup kitchens and the parallel labour system are preventing the poor people staging a social outburst."

In turn, Justice Secretary Cesar Arias underlined that the ex-president "retired from politics a long time ago and is ignorant of the situation of the Peronist movement and the country so she should not speak about these matters."

Vice-President Eduardo Duhalde also tilted against the ex-president, emphasizing that "la senora has many virtues but knowledge of political affairs is not one of them." Duhalde considered that "her relation to Argentina is now exclusively touristic" and said he was not surprised by her statements "because all she has done these last years is praise (ex-President Raul) Alfonsin, who is the exact antithesis of President Carlos Menem."

Government sources disclosed yesterday that the head of state will travel to Malaysia, Paraguay and Italy next month in a trip organized by the Foreign Ministry.

Menem will attend the meeting of the Group of 15 in Kuala Lumpur, Malaysia, where the economic relations between North and South will be discussed. After that he is scheduled to participate in the opening of the yearly Organization of American States General Assembly in Asuncion, Paraguay, on June 4, and two days later he will go to Rome for the inaugural match of the World Cup in Rome, where Argentina will open the soccer championship against Cameroon.

Last night, Menem spoke at a National Youth Seminar on Work and Production, where he urged a group of Peronist youths to "be rebellious and transgressors, because a youth without rebellion is like precocious servility." Menem told his young auditorium that "when I was young, I was a rebel" and advised them to "question and mistrust the old politicians who want to get something out of you." The seminar was opened by Youth Secretary Claudia Bello, who told Menem that "the Argentine youth is at your disposal."

In related developments, the president also commented on the recent statements of his wife Zulema Yoma denouncing the existence of death threats against her. "I have no details of these incidents but you should realize that if someone really wanted to take so serious a step, he would not call first." Menem also downplayed the incident by considering that "this type of thing is common in politics."

Yesterday Zulema Yoma expressed her "desire that this government will become justicialist in all the meanings of the word" and explained that she talks so much of corruption "because I am very worried about it."

In an interview published yesterday by the local daily LA NACION, the first lady accused the government-managed media of "hiding a lot of information" and provided the example of "constant material which I send the official agency TELAM and which they do not publish. Where is the freedom of the press, then?", she asked.

Meanwhile, San Isidro Federal Judge Alberto Piotti disclosed that he had included these recent death threat accusations in the investigation over the secret microphones at the Olivos presidential residence. Yoma had recalled the microphones incident in the LA NACION interview, where she suggested the people to "ask Piotti how things are going."

"There is not much space left for hope," Piotti underlined, "because this is a difficult investigation and because nobody made the corresponding legal charges."

President Comments on Debt Conversion Strategy

PY1305201890 Buenos Aires BUENOS AIRES HERALD in English 12 May 90 p 1

[Text] (NA-DYN)—Director of the International Monetary Fund (IMF) Michel Camdessus yesterday asked the IMF's member governments to release part of a 1.4 billion dollar suspended loan to Argentina, thus fulfilling a promise made to Economy Minister Antonio Erman Gonzalez on Monday.

The IMF's 152 members are expected to follow Camdessus' recommendation and to pay out the money, 240 million dollars, on May 25.

Speaking in Buenos Aires before the announcement, which is now likely to open the way to a broad deal on the country's foreign debt, President Carlos Menem said

that the government would use "novel formulas" to get rid of Argentina's 64 billion dollar debt burden, the most important of which would be "the opening of a broad road for risky foreign investment."

Addressing a conference on Foreign Debt Conversion, Menem said once negotiations with private creditors resume at the end of the month he would press for "a reduction in interest payments, write-offs and repurchases at market prices" as his three main objectives.

Write-offs and interests cuts, he declared, were "measures taken with realism and integrity, since this is now a part of the laws of the international market."

He acknowleged that private creditors, who make up some 38 billion dollars of the entire debt, could well obstruct his secondary market repurchase scheme by refusing to allow the government to buy back the debt bonds at a reduced price.

But in a veiled reference to the discredited non-payment stance taken by Peruvian President Alan Garcia, he said that he wanted Argentina to be a "partner of the world" and would avoid all "sectarian and self-excluding" foreign debt policies.

Menem added that "we are going to have to pay for some of the disasters caused by our predecessors" and that "until we achieve Latin American integration, every country will have to negotiate on his own."

And he said that risk investment was "vital" for generating growth, and called on both national and international industry "to come and set themselves up in our country."

"We have to attract genuine capital, capable of fueling our development," he said.

Menem continued that his new "debt strategy" would consist of "converting debt into investment, backwardness into progress, capital flight into risk-taking and inefficiency into competitiveness."

Defense Minister Rejects British Report

PY1205034890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2135 GMT 5 May 90

[Text] Buenos Aires, 11 May (NA)—Defense Minister Humberto Romero today expressed his "surprise" over reports by foreign media about the dismantling of the 25 de Mayo aircraft carrier. He said that "the Navy will continue to count on its flagship."

Romero said: "The Italian Fincatieri shipyard was chosen to modernize the aircraft carrier following a previous selection and after its technical and economic prestige was proven." Thus he rejected a report published by the London newspaper [as received] "JANE'S" which specializes in defense matters. Romero said: "The date and the budget have not yet been established, but what is important is that it will be repaired." He added that "he was surprised" at the British publication. He explained that "the aircraft carrier has been out of service since the past administration and that studies on its modernization are being carried out. As soon as they are over and appropriate financing is obtained the aircraft carrier will be repaired at AFNE [State Shipyards and Naval Factories]." Romero made these remarks at the end of a ceremony held at the Navy Mechanical School during which military deacon Vicente Maita was installed.

Concerning the AFNE's inactivity, Romero said that a Dutch firm which promised to build four grain transport ships did not comply with the contract. [as received] Regarding the Domecq Garcia shipyards, Romero said that "they are in the same condition as AFNE. He added that because of the country's economic situation the treasury can not provide funds to continue with the construction of four submarines. [quotation marks as received]

Romero on Military Salary Inflation Adjustment

PY1205181590 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1955 GMT 11 May 90

[Text] Buenos Aires, 11 May (NA)—Defense Minister Humberto Romero today said that the salaries of military personnel will be adjusted "month by month, above the inflation rate." He added that these adjustments will be made "in agreement with the Economy Ministry."

In remarks to the press at the end of a ceremony in which military deacon Vicente Benito Maita was ordained priest, the minister said that "salary increases for Armed Forces personnel are continually reviewed and the indices for salary increases will be adjusted monthly to stay ahead of inflation."

Elsewhere, it has leaked that the adjustment for this month could be on the order of 20 percent, as compared to an 11.4 percent increase of the cost of living in April.

Within this framework of salary analysis, reliable sources have admitted the existence of a some discontent among those at the mid-level ranks of the Armed Forces, who talk of "inequality" in connection with the salaries paid by some public enterprises.

The sources cite as an example that the March salary of a government official at grade 32 totaled almost 10 million australs (9,711,425 australs), compared to the 3,799,000 australs paid to a lieutenant general (there is none in active service) in March.

In addition, a congressional secretary with 40 years of service collected a total of 4,969,438 australes in March. In April, the same secretary collected a total of 7,652,394 australes, which represents a 54 percent increase.

In this regard, the source indicated that "the legislative and judicial branches are receiving increases greater than those granted to Armed Forces personnel, an issue that

has not received coverage in the press, certainly not the dimension of coverage it achieved when it involved military personnel."

Politicians Launch Antigovernment 'Battle Plan'

PY1305205890 Buenos Aires BUENOS AIRES HERALD in English 13 May 90 p 4

[Text] (NA-DYN)—Leaders of the Buenos Aires branch of the Frejupo (Popular Justicialist Front) yesterday launched a battle plan against the government, in what is considered a new pole of opposition to the economic policies of the Peronist administration.

Speaking to an audience of over 600 who were summoned under the slogan "Democracy with Social Justice or Savage Liberalism," members of the Group of Eight dissident Peronists together with representatives of the Intransigent Party (PI), the Communist Party (National Tendency) and the Christian Democrats expressed their "deep feeling of betrayal" due to President Carlos Menem's failure to live up to his campaign promises.

The meeting, held at the San Martin Theatre, concluded with the signing of a joint document which will be distributed tomorrow in the downtown area and throughout different metropolitan neighbourhoods to mark the first anniversary of Frejupo's electoral triumph.

"The conservative right feels it has conquered without any resistance a president elected by popular vote; it praises him and cheers him while at the same time it denigrates the democratic institutions and proclaims the end of ideologies," says the document, which carries the signatures of Deputies German Abdala (Peronist-Capital) and Carlos "Chacho" Alvarez (Peronist-Buenos Aires) as well as numerous leaders.

Buenos Aires Governor Antonio Cafiero said yesterday that during the 1988-1989 period the province's spending "was cut by 30 percent in real terms" while emphasizing that "through intense activity we are settling the debt which democracy has with the neediest sectors."

General Labour Confederation (CGT) Arzopardo-branch Secretary-General Saul Ubaldini's announcement that he will seek to run for Buenos Aires governor sparked different reactions among political leaders, LOS PERIODISTAS fortnightly magazine revealed.

Deputy Luis Sardi (Peronist-Catamarca) compared himself to the labour leader saying that "they want to blame Ubaldini and myself for many things because we don't agree with certain government officials."

Dissident Peronist Deputy Luis Brunati (Buenos Aires) said Ubaldini "will have to face up to the responsibility which such a challenge implies" since his political fate will be at stake.

Ubaldini finishes his term as CGT secretary-general in November, and "it is unlikely that he will be re-elected to head a reunified CGT," says the magazine.

In turn, Peronist Deputy Irma Roy (Buenos Aires) yesterday blasted the statements made recently by former President Maria Estela Martinez de Peron, considering that "when you voice opinions from a distance you not only lose perspective, you lose all sense of reality."

Also, Roy clarified a denunciation she made a few days ago by pointing out that there have not been any cases of hemophiliacs contracting AIDS (Acquired Immune Deficiency Syndrome) since 1987, when Argentine scientists discovered the way to prevent this.

In other political news, former State Oil Company (YPF) trustee Octavio Frigerio said yesterday the economic crisis was the consequence of the "liberal and monetarist policies we have already put up with in previous governments," while speaking at a rally in which he was proclaimed Buenos Aires gubernatorial candidate for the Movement for Integration and Development (MID).

Finally, Movement Towards Socialism (MAS) leader Luis Zamora yesterday criticized Menem's affirmation that "thing are going relatively well," saying "those that must be doing relatively well are the International Monetary Fund (IMF) and North American banks, who, although the government may deny it, were given over three billion dollars as foreign debt payments."

Ambassador To UK on Falklands, Fish Exports

PY1105101290 Buenos Aires Domestic Service in Spanish 1600 GMT 11 May 90

[Text] Argentina has proposed to the United Kingdom that a bilateral work group meet next month or in July to discuss unresolved matters such as the problem of fishing in the Malvinas Islands.

This was announced by Argentine Ambassador to London Mario Campora, who emphasized that the United Kingdom is the world's fifth largest fish consumer as it imports more than $1 billion worth of fish [time frame unspecified].

Argentine company experts have said that Argentine waters have species of fish that could be in demand by the British consumer, added Campora, who is already in London.

The former deputy foreign minister emphasized that Argentine is currently exporting small quantities of fish to the British market—just a few tons—and that this quantity could be increased and become a new trade item.

Bolivia

Paz Zamora Returns From U.S., Goals Attained

PY1205013290 La Paz La Red Panamericana in Spanish 0000 GMT 11 May 90

[Report by Luz Mendoza from El Alto International Airport]

[Excerpt] President Jaime Paz Zamora has announced that the U.S. Government will double its economic cooperation with Bolivia beginning 1991. President Paz Zamora arrived at the El Alto International Airport at 1930 in the company of five ministers [as heard]: Foreign Minister Carlos Iturralde; Planning Minister Enrique Garcia; Interior Minister Guillermo Capobianco; the energy and hydrocarbons minister, and other officials who made up the presidential entourage.

In preliminary remarks, which he promised to give in detail to the Bolivian people in the next few days, the president said the results of the meeting with U.S. President George Bush were satisfactory. He also expressed satisfaction over the meeting he has just held with Venezuelan President Carlos Andres Perez. We must point out that President Paz Zamora arrived in a Venezuelan Air Force plane.

Here is the interview President Paz Zamora granted to the press on the results of his trip to the United States:

[Begin Paz Zamora recording] I feel satisfied for having accomplished the mission I proposed. The national objectives that had prompted this visit have been fully achieved. From the Bolivian point of view, particularly where the fight against drug trafficking is concerned, we have succeeded in making the interests of our national doctrine prevail, and in transforming this doctrine into an international one. In my opinion, this is the most important and fundamental achievement. I must modestly say that this may be the first time in our national history that a national doctrine is internationally assimilated, specially considering the magnitude of the consequences that drug trafficking may have on humankind.

We have found an entirely balanced solution and concurred with the U.S. Government on the need to bluntly and frontally fight drug trafficking. We must prevent the traffic and production of the drug, and we must replace the crops. In Bolivia's specific case, the crop replacement program is fundamental and all efforts must be dedicated to its implementation, although we must also prevent drug production and traffic.

I must tell you that the type and amount of U.S. economic help to be rendered to Bolivia has improved positively. The amount of help will be doubled, and the type of help will be improved. Funds for social and economic development projects will be four times larger than those assigned to prevent drug-trafficking and to military equipment.

The military equipment to be delivered to our Armed Forces will be scrupulously in accordance with the terms of the treaties that have been signed since 1962. The terms of our Constitution have also been meticulously respected and the use of the military equipment to be supplied to our Armed Forces will be personally controlled by the Armed Forces chief of staff. As established by our Constitution and by the agreements reached in Cartagena, the police forces are fundamentally responsible for the prevention and repressive control of drug trafficking. [end recording] [passage omitted]

Official Terms DEA Presence 'More Than Enough'

PY1305211290 Madrid EFE in Spanish 2103 GMT 12 May 90

[Text] La Paz, 12 May (EFE)—General Lucio Anez, retired, commander of the Special Antinarcotics Force, said today that he does not believe that it is necessary to increase the number of DEA agents in the country.

According to an agreement signed in Washington by the Bolivian and U.S. governments the number of DEA agents will be "doubled or tripled" in the next few months.

Anez said that the current number of DEA agents for the antinarcotics struggle in Bolivia is "more than enough."

He disregarded the possibility that the new agents will remain in the country. He added that the agents will probably "rotate" and will give training courses to Bolivian personnel.

Anez explaned that the agreement is a "simple temporary measure which does not really represent an increase of DEA agents."

He also denied that DEA agents are taking part in direct operations against drug traffickers or coca growers as recently reported by union organizations.

Anez added that the DEA agents are only involved in information and logistics tasks.

The agreement to increase the presence of DEA agents in Bolivia was signed during the official three day visit made by Bolivian President Jaime Paz Zamora to the United States 7-9 May 1990.

According to unofficial sources the DEA members in Bolivia do not go over 100 agents who are replaced every three months.

Bolivia produces annually about 155,000 tons of coca leaves, and officials believe that 80 percent are used for making cocaine.

Police Disperse Striking Miners in La Paz

PY1105182590 Madrid EFE in Spanish 0054 GMT 11 May 90

[Text] La Paz, 10 May (EFE)—Groups of mine workers today clashed along La Paz's main avenue with antiriot forces of the Bolivian police as part of a mobilization of trade union sectors that are claiming salary increases and social benefits.

The police used tear gas and shotguns to disperse dozens of mine workers who blocked Mariscal Santa Cruz Avenue and who threw dynamite "sticks" (noise bombs) at the security forces.

Hundreds of mine workers from the interior of the country have come to La Paz over the past few days to stage protests in support of the general strike that was declared on 26 April by the Bolivian Labor Confederation (COB), the only one in the country.

The strike, which only involves the state mines and several Bolivian universities, was renewed last night by the COB during a meeting of all the organizations represented at the COB.

The COB is asking for an 18.9 percent salary increase for public servants, which would serve as a basis for the negotiations with private company employees, as well as forgiveness of the loans to the peasants, a general development plan, and other claims.

In last night's meeting, the COB decided to increase its protest measures by blocking roads in the interior of the country and by holding demonstrations in La Paz, demonstrations that have been held virtually every day during the past week.

Brazil

Foreign Minister on Government's 'New Stance'

PY1305000290 Rio de Janeiro O GLOBO in Portuguese 12 May 90 p 23

[Report by Jose Meirelles Passos]

[Text] Washington—During a brief visit to the United States Foreign Minister Francisco Rezek made clear to the U.S. Government that Brazil has adopted a new stance [nova postura] in its relations with the United States. According to Rezek, the country understands that it no longer depends on the United States and from now on Brazil will negotiate with the United States on equal terms. Rezek stressed that "Brazil will review certain policies giving priority to our interests," and will seek a greater rapprochement with other rich countries.

Today we have other partners in the First World; our interests are not restricted to our bilateral relations with the United States, Rezek said.

Rezek said that Brazilian positions have never been more pragmatic and that the country's goal is to have a more direct and regular dialogue with the First World.

Our partners will be those countries that can help us; of course we won't forget our loyalty and solidarity with the Third World or its problems, Rezek said.

Secretary of State James Baker III, and General Brent Scowcroft, head of the National Security Council, received Rezek in a friendly and even deferential way. For the first time in many years the United States did not present any claims and the new Brazilian stance was unexpectedly accepted without any challenge. According to a high-ranking State Department official, Baker told Rezek that in the future the United States will consult with Brazil on matters pertaining to other areas of the world and not only on Latin American matters.

Baker told Rezek that the liberalization of Brazilian trade "alleviated commercial frictions." Baker said he was impressed with the Collor Plan. Baker advisers confirmed that when reviewing the list of bilateral and multilateral issues—foreign debt, nuclear policy, Panama, Cuba, the regional situation, Europe, the United Nations, trade—Baker perceived "a marked changed of attitude." Rezek described the change of attitude with an example. He said: We established our priorities when we discussed the country's aspirations regarding the transfer of high technology in areas such as supercomputers and aeronautic engineering. We took a similar attitude on the problem of patents; the issue will be carefully studied to establish what is more appropriate for Brazil.

Economy Minister on Foreign Debt Issue

PY1105152690 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 May 90

[Report by Cristina Indio do Brasil]

[Excerpt] [passage omitted] Economy Minister Zelia Cardoso de Mello also reported that on 30 June the government will announce its foreign trade policy for this year. She wants customs duties to be substantially reduced by the end of President Collor's five-year term in office.

Concerning the foreign debt issue, the economy minister did not want to disclose details of the Brazilian Government's proposal, but she confirmed that an agreement, which will be signed in September, will be reached with the IMF. Subsequently, negotiations will be conducted with the Paris Club and then an agreement is to be reached with the creditor banks, although informal contacts with the international bankers will already begin this month.

Collor To Attend OAS Assembly in Asuncion

PY1105035690 Brasilia Domestic Service in Portuguese 2200 GMT 10 May 90

[Text] President Fernando Collor de Mello will participate in the OAS meeting in Asuncion, Paraguay, on 4 June. This information was provided by Presidential Press Secretary Claudio Humberto Rosa e Silva, who also confirmed other trips the president will make this month.

On 20 May, President Collor will travel to the state of Tocantins; on 26 May, to the state of Rio de Janeiro, where he will visit the oil drilling platform in the Campos basin and in Niteroi will attend the conclusion of the Panamerican Karate Championship, a sport in which he has a black belt.

President Collor Creates 'Brazil News Agency'

PY1105034490 Brasilia Domestic Service in Portuguese 2200 GMT 10 May 90

[Text] Brazil News Agency, the newest RADIOBRAS product, goes into operation. Its creation was determined by President Fernando Collor. The Brazil News Agency will give priority to state news, particularly in the areas of economy, ecology, and technology. RADIOBRAS, Brazilian Communications Enterprise, today inaugurated the BRAZIL NEWS AGENCY that will serve 250 customers, will distribute information through 162 radio stations, and will produce material for 35 television stations. RADIOBRAS President Marcelo Netto said that the enterprise's news service will be given a new slant.

[Begin Netto recording] What we did was to unify the news services RADIOBRAS had. Up until now, RADIOBRAS had a radio journalist service, a television journalist service, and a press news service. We have unified these services under a single management, a single orientation. We will use the same resources and we intend to computerize the three services to work in a unified system. This is it basically; we will give a new orientation to the journalist service so far provided by the enterprise. [end recording]

The first stage in the process of producing news will use a system of computers and national software as a support for the production of news. The (?Radiosates) system that is being installed will transmit radio programs via satellite, that will act as a news distribution channel that is faster and less costly. Initially, the BRAZIL NEWS AGENCY will give priority to state news, focusing on areas of economy, ecology, and technology.

Minister Releases Salary Readjustment Index

PY1205034290 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 11 May 90

[Text] The index readjusting the minimum salary for May was disclosed in Brasilia. The index for readjustment of salaries should be announced on the 15th day of each month, according to legislation in force. Today, Economy Minister Zelia Cardoso de Mello surprised every one by disclosing that the minimum salary will be readjusted by 3.29 percent in May. This is the cost of living index worked out by the FIPE [Economic Research Foundation Institute] at the University of Sao Paulo.

That readjustment will represent an increase of 120 cruzeiros in the minimum salary. Since the law establishes that all salaries will be readjusted by the same index as the minimum salary, the interpretation at the Economy Ministry was that the minister had in fact disclosed a readjustment that should have been disclosed only on 15 May.

The law also says that the pre-established readjustment index for a given month is a prediction of the inflation in that month. This index of 3.29 percent refers to the past inflation in April.

Generals Punished for Criticizing Government

PY1205030890 Brasilia Domestic Service in Portuguese 2200 GMT 11 May 90

[Text] Army Minister General Carlos Tinoco just announced in Brasilia that Generals Newton Cruz and Euclides Figueiredo have been punished. Gen. Newton Cruz was placed in prison for 10 days at the Planalto Military Command headquarters; and General Euclides Figueiredo, brother of former President General Joao Figueiredo, will be reprimanded in writing.

The two retired generals have been punished for having criticized the government. They said that they will not abide by the determination of the president of the Republic that military men must not make political declarations.

The Army's Social Communication Chief Gen. Nialdo Neves has explained the reason for the punishments.

[Begin Neves recording] The criticisms made by both generals have been published in the press. When Gen. Newton Cruz was contacted, he confirmed his criticism practically in every point. Gen. Euclides Figueiredo, however, did not; he just leveled his criticism at administrative acts of the president of the Republic, without any intention of criticizing the president of the Republic personally. [end recording]

The two generals violated the Army Discipline Regulation.

Science, Technology Secretary on Research Loans

PY1105153290 Brasilia Domestic Service in Portuguese 2200 GMT 10 May 90

[Report by Nielmar de Oliveira from Rio de Janeiro]

[Excerpt] Science and Technology Secretary Jose Lutzemberger has said that the government is concluding negotiations with the IDB to secure loans of

about $100 million for the FINEP, the Funding Authority for Studies and Projects, with the government providing a $100-million counterpart. Seventy percent of this allocation, which will be released by mid-year, will be earmarked for industry.

The government is also negotiating with the World Bank a $300 million loan that will be released over the next five years for pioneer industries, especially in the field of medicine. These negotiations will increase investments in this sector from 0.5 percent of the GDP, a percentage that has been applied over the past few years, to 0.7 percent of the GDP. [passage omitted]

Chile

Menem To Veto Law Over Islands' Sovereignty

PY1105183690 Santiago Radio Chilena Network in Spanish 1700 GMT 11 May 90

[Text] Argentine President Carlos Menem will veto some articles of a law that created the province of Tierra del Fuego in order to correct a mistake in the text of the law. The law includes two Chilean islands within Argentine territory.

The Argentine Chamber of Deputies on 26 April approved a law creating the new province, which includes the Malvinas, Georgias, and South Sandwich islands, which are now under British control.

Menem warned of the mistakes in the law and said that he will veto some of its articles.

Foreign Ministry sources reported that one of the mistakes is the inclusion of the Chilean Lawrence Island and Cole Island in the new province. The two islands are located between Chile's Navarino Island and Argentina's Gable Island in the Beagle Channel. The two islands were placed under Chilean jurisdiction after the peace and friendship treaty was signed on 29 November 1984 in the Vatican.

It has been reported in Buenos Aires that Chile has received guarantees that the mistake will be corrected because the Argentine Government recognizes Chile's sovereignty over those islands.

Foxley Says Situation Good, No Readjustments

PY1205024490 Santiago Domestic Service in Spanish 2300 GMT 11 May 90

[Text] Finance Minister Alejandro Foxley has said that no economic readjustment measures are being studied and that the government has been analyzing the economic situation. The minister added that the IMF has conducted a regular review of the Chilean economy that has not [word indistinct].

Foxley asked certain sectors of Chilean society that are reacting in an alarmed manner to act calmly, because the economic situation is under control and there is light at the end of the tunnel. He also said that the government is permanently studying the problem of high interest rates and that when the economy clearly shows that the readjustment phase can be ended these rates will be reduced.

Foxley said it will not be necessary to request new IMF loans because the Chilean economic situation is very good. Foxley made these comments at the La Moneda Palace after holding a meeting with President Aylwin.

Minister on Security Forces, PCCh Criticism

PY1205154490 Santiago Domestic Service in Spanish 2300 GMT 11 May 90

[Text] Enrique Correa, the minister secretary general of government, has said that the government is operating with the same police and security organizations the past regime operated.

Thus, Correa rebutted the remarks made by National Renewal leader Andres Allamand that the government presented equivocal indications regarding the way in which counter-violence [contra violencia] will be handled.

Correa was also asked about a poll carried out by Television Nacional de Chile, a poll in which a segment of the people polled somehow justified the killing of Colonel Luis Fontaine, retired, in view of the absence of enforcement of justice.

In this regard, the minister secretary general of government pointed out that he does not believe that this is the opinion of the average Chilean and that the editing and formatting of the poll was biased.

Concerning the way in which the government will handle counter-violence, Correa said the following:

[Begin Correa recording] The government is operating in cooperation with the same police and security organizations with which the former government operated. Therefore, the government does not have and will not have any security apparatus of its own besides the institutional organs, namely the Carabineros and the Investigative Police, which have the same personnel and the same officers they had under the past regime. [end recording]

Concerning the charges leveled by the Communist Party of Chile [PCCh], that the government was exposing vulnerabilities to rightwing sectors, Minister Correa emphasized that this was the PCCh's opinion and that, under a democracy, the PCCh has a right to make known its point of view.

Reactions to Murder of Colonel Fontaine

PY1105145490

[Editorial Report] Santiago Domestic Service in Spanish, in its regular newscast at 1100 GMT on 11

May, carries reactions to the murder on 10 May of Carabineros Colonel Luis Fontaine, retired.

The announcer reports that the government's statement says that "the government, in addition to rejecting and condemning this violent action, has ordered the appropriate police and legal measures to place those who are responsible for this action at the disposal of the courts." The statement, according to the announcer, was read by acting Interior Minister Belisario Velasco, adds that "the government calls upon Chileans to avoid being influenced by the atmosphere promoted by those who resolutely try to impair the process of restoration of democracy in our country."

The announcer then reports that, in a statement read at his office in the Diego Portales building, Defense Minister Patricio Rojas said that the murder of Fontaine "is a barbarous, terrorist act which violates the sacred right to life which Chileans respect without exception. The security and police services have been fully mobilized to find those responsible for this action, who will be punished with all the weight of the law."

The announcer then reports that the Army has released a communique which states that "in the wake of the tragic events in which Carabineros Colonel Luis Fontaine lost his life, the Army expresses its strongest repudiation for this new extremist attack which has once again cast the Carabineros into mourning." The communique concludes by stating that "the Chilean Army sees with concern this new violent extremist act by those who continue to attack the peaceful coexistence which Chileans desire."

The announcer then reports that the Air Force has issued an official communique noting that "this criminal action has attacked the efforts and positive spirit with which the country and its institutions have promoted peaceful and harmonious coexistence."

After reporting the strong repudiation of the crime by the vice presidents of the Senate, of the Chamber of Deputies, of the National Renewal Party—which blamed Fontaine's murder on the Communist Party—of the Independent Democratic Union, and of the ruling Christian Democratic Party, the announcer reports that through a communique, the Carabineros have stated that: "1) In the wake of the base murder of one of its members at the hands of irrational violence, the Carabineros strongly condemn this type of action which has caused great damage and which has seriously harmed the normal development of national life; 2) This serious situation must inevitably be linked to the risks which have been reported in connection with publications which have submitted officers like Mr. Fontaine to public revenge. These publications have irresponsibly leveled charges against those officers, despite the fact that no evidence has been found of their involvement in events which have been thoroughly investigated by the courts; 3) The Carabineros attribute the moral responsibility for this attack, and for several other crimes which have been committed, to those who advocate and participate in leveling this type of irresponsible charges, to those who protect and foment violence and terrorism, and to those who endorse them by their silence."

Colombia

243 Policemen Killed to Date in 1990

PA1305180090 Bogota Radio Cadena Nacional in Spanish 1200 GMT 13 May 90

[Text] Medellin, Antioquia Department—Security authorities and organizations have stepped up security measures in Medellin and Valle de la Burra following an upsurge in violence that has claimed the lives of 10 policemen in less than 30 hours.

According to official reports, 78 Antioquia policemen have been killed so far this year. Most of the police victims have been reported in the Medellin and Valle de la Burra areas. The crime wave began on the night of 9 May when agent Jose M. Garcia, 21, was murdered at the Villa Nueva shopping center in downtown Medellin. Also wounded in the attack was policeman Nelson Pino Ortiz.

The following day, four policemen were killed in separate incidents. One of the dead was a dragoneante [distinction given for outstanding services]. Two other policemen were wounded. The names of the policemen killed were Dragoneante Jose Alexander Amaya and agents Tomas Alberto Montes Mejia, David Alberto Velez, and Luis Damian Garcia. The latter was on duty at the home of the 14th circuit penal judge. Also wounded that day were agents Nestor Heriberto Prieto and Donato Martinez.

On 11 May, there were more attacks, as five national policemen were killed. Their names were: Dragoneante Luis Orlando Bedoya Martinez and agents Eduardo Fernando Sisa Collazos, Jose William Mesa Ocampo, Alonso Gallego Duque, and Hugo Salazar Velazquez. The latter served as bodyguard for Colonel Manuel Heriberto Nunez Isaza, Antioquia Department police commander. In addition, seven agents wounded in attacks carried out in recent hours in Medellin are at the Municipal Polyclinic.

So far this year, 243 policemen, including agents, NCO's, and officers, have been killed all over the country. This figure includes the murders of 10 policemen in Medellin and one police officer in Bogota, a National Police spokesman noted.

Unidentified Persons Kill 6 Policemen in Medellin

PA1105211190 Bogota Radio Cadena Nacional in Spanish 1200 GMT 11 May 90

[Text] Medellin - Six metropolitan policemen have been murdered here in the last few hours in a series of attacks that prompted all security organizations to go on a state

of alert. Officer Luis Damian Garcia was murdered the evening of 10 May while guarding the residence of the 14th circuit penal judge, located on 44th Street and 89th Avenue in La America, in western Medellin. Garcia took several shots from unidentified persons, who were moving about that area by foot. In this incident, officer Donato Martinez was also wounded. Martinez is now recovering in the municipal clinic.

In another incident, policeman Eduardo Fernando (Siza) Collazos was gunned down in the Paris neighborhood, in the Bello municipality, while on his way home.

In the last few hours, officers Jose E. Berrios, Tomas Alberto Montes Mejia, David Alberto Velez, and the Jose Alexander Maya have been killed under similar circumstances and in different places in the city of Medellin.

Car Bombs Explode; 18 Killed, 60 Wounded

PA1305023190 Bogota Inravision Television Cadena 1 in Spanish 0102 GMT 13 May 90

[Italized passages are recorded]

[Text] Eighteen people were killed and 60 wounded after two bombs exploded in Bogota today. One exploded in Quirigua neighborhood and the one exploded in front of the crowded Niza shopping center, located north of the capital.

At the Niza shopping center, located in northwestern Bogota, four were killed and 35 were wounded. The dynamite exploded at 1615 while many people were shopping in the area. The terrorists used a Dodge Coronet, license number AH-36-54, loading it with more than 50 kg of dynamite, which destroyed 22 stores, 45 vehicles, and caused millions in damage. The explosion also destroyed the windows in neighboring buildings and houses.

[First unidentified man] *I had a small red Renault, and it was destroyed. My wife is pregnant and she had to be rushed to the hospital and treated for shock.*

[Second unidentified man] *How could it happen in a shopping mall that is so crowded on the eve of Mother's Day? This is absolutely incredible. These people are heartless.*

The Bogota police have said that the terrorist action is the work of drug traffickers who have transferred their operations to the capital.

[Colonel Jose Camelo] *There is no doubt about this. This is an action perpetrated by the narco-terrorists, who continue to make many of innocent people the targets of their lowly instincts.*

The police, civil defense groups, and the firemen's corps are currently removing the debris and looking for more victims.

The explosion in the commercial sector of Quirigua was not as powerful, but the bomb was filled with nuts and bolts which became dangerous projectiles. According to the police, the purpose of the bombing was to cause many deaths. Nevertheless, the explosion destroyed windows and stores along a three-block sector, and it caused considerable damage to residences located within a three- block radius. Our news team accompanied officials who were appointed to supervise the removal of the bodies.

[First unidentified official] *There is a small girl beside that post. There is another one over there. There are three more in that ice cream parlor.*

[Unidentified reporter] *How many dead in the area?*

[First unidentified official] *Seven dead.*

[Second undentified official] *A wounded person died at La Granja Hospital. That is all we have now.*

The destruction of two urban buses covering the Quirigua route became apparent after the crowd was dispersed. A taxi, a minibus, and three privately owned vehicles were also destroyed. The victims include three minors.

[Unidentified woman] *I was serving two hamburgers when I felt the roof cave in. The lights went out and I rushed upstairs looking for my children, to see if they were all right. All of them were all right, except for my daughter. She was blown apart! Dear God!*

The wounded were taken in police patrol cars, firemen's cars, private vehicles, and ambulances to La Granja Hospital. The doctors worked quickly and managed to save many lives.

[Unidentified hospital official] *Hernando Alberto Benavides, Adelaida Barrera, Hernan Villamil, Jorge Bernal, Juan Esteban Garcia, Jose Ignacio Rodriguez, Elizabeth Gonzalez, and Herminia Martinez.*

[Reporter] *They are here?*

[Hospital official] *They are being given medical attention here.*

Nevertheless, it was necessary to send the most critically injured to Simon Bolivar Hospital, San Pedro Clavel Hospital, San Ignacio Hospital, and to Kennedy Hospital. The bomb which exploded here in Quirigua was placed in a white car. Witnesses are not sure whether it was a Renault or a Fiat. The car was disintegrated in the explosion, which opened a hole measuring more than three meters wide and 70 cm deep.

Six Reported Killed by Car Bomb in Cali

PA1305034890 Madrid EFE in Spanish 0248 GMT 13 May 90

[Text] Bogota, 12 May (EFE)—Alvaro Palau, secretary of Cali's municipal government, has reported that six

people were killed and 20 seriously wounded by the car bomb that went off tonight at 2045 (0145 GMT) in a district in southern Cali, in southwest Colombia.

Meanwhile, authorities in Bogota have reported that the number of people killed today by the explosion of two car bombs has climbed to 19 and the number of wounded is 160.

A total of 25 were killed and 180 were wounded by the three car bombs.

The car bomb that exploded in Cali destroyed five automobiles that were either parked or passing at the time of the explosion and several night clubs that had just opened for business.

A reporter said that firemen are removing the debris in search of victims inside the night clubs.

At "Grill Calypso," an entire wall collapsed and it is not known if it crushed the couples that were inside.

Firemen and police in Cali are afraid that there are more victims under the rubble of the night clubs.

DIJIN Cited on Rumored Use of 'House Bombs'

PA1305191890 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 8 May 90

[Text] Two generals and one colonel hosted a news conference this evening to answer all of the reporters' questions on the subject of public order. Although they said they had no information about the plot that was being prepared in the United States with the purchase of missiles that were reportedly going to be used against President Barco, they discussed another touchy subject.

Rumors have been circulating in Bogota for several days about a house bomb that would threaten the stability of the capital city. This is what Colonel Oscar Carmona, the director of DIJIN [Directorate of Judicial Police and Investigations], said:

[Begin recording] [Carmona] People are talking about a plot using a house bomb, much more than a car bomb.

[Reporter] Colonel, what do you mean when you say a house bomb?

[Carmona] A person purchases a house very close to the our installations. Then he fills it up with dynamite in one or two hours. We have had reports to the effect that someone wants to purchase a house and pay five to six times its true value. The condition is that the house is purchased with doors closed, that is, with all the vehicles and furniture inside. In this manner, the house could be loaded in a very short period of time and it would be a surprise attack.

The police force is a very professional institution, and it controls all of its sources. I want to tell the newsmen: I am very proud of being a member of one of the best police forces in the world. What other police force in the world has to confront so much crime and is successful?

[Reporter] How many house bombs have been detected in Bogota?

[Carmona] We have reports on several houses, and the intelligence officers are working on this.

[Reporter] What is the preferred sector?

[Carmona] Let us handle this in a quiet manner, because the success of our investigations depends on that. [end recording]

Authorities Arrest Alleged Cartel Members

PA1205033890 Hamburg DPA in Spanish 0135 GMT 12 May 90

[Text] Bogota, 11 May (DPA)—In Bogota today the Colombian police captured four alleged members of the Medellin Cartel, including one of the trusted aides of Pablo Escobar Gaviria, top boss of the criminal organization.

Freddy Arciniegas Nino, who authorities believe is in charge of coordinating the shipment of cocaine from Colombia to other countries, was arrested in this operation.

At the time of their arrest the four alleged criminals had two luxurious Mercedes Benz in their possession, official spokesmen have reported.

The Colombian authorities have been engaged in an intense actions to capture Escobar Gaviria since August of last year. The United States has requested his extradition.

'War' Between Drug Lords, Rebels Reported

PA1305222190 Paris AFP in Spanish 2041 GMT 13 May 90

[Text] Bogota, 13 May (AFP)—Official sources today in Bogota reported that the Army has discovered there is a "war" on between the mafias of the drug-trafficking Cali and Medellin cartels and the communist Revolutionary Armed Forces of Colombia [FARC].

Citing intelligence sources, the Army's intelligence service has reported that FARC has stopped protecting the coca plantations and cocaine-production laboratories and has even begun to seize the drug from traffickers to help financially support its 4,900 men.

In view of the constant FARC attacks throughout the so-called "drug-trafficking triangle" in the neighboring Meta and Caqueta Departments in the southeastern sector of the country, the cocaine cartels set up armed self-defense groups to halt the rebels' activities. The cartels have also increased surveillance and heightened alert mechanisms in view of the presence of outsiders,

especially members of the FARC's 14th, 15th, and 42d fronts, who operate in the vast mountainous areas of Meta and Caqueta.

A week ago the Army dealt a very strong blow to the cocaine smugglers when it dismantled two of the biggest cocaine-processing laboratories and seized 18 tons of cocaine that were ready for shipment abroad.

The authorities destroyed the alkaloid and the laboratories as well as 24 clandestine airstrips. They also arrested approximately 20 people, including two Peruvians and a Bolivian.

Liberal Party Congressman Kidnapped in Cesar

PA1305195790 Madrid EFE in Spanish
1816 GMT 13 May 90

[Text] Bogota, 13 May (EFE)—Liberal Party Congressman Miliciades Cantillo Costa was kidnapped today by unidentified persons on the country's northern coast, while three executives of a Canadian gold mining company were released in the northeastern sector, Colombian authorities have reported.

The police in Valledupar, Cesar Department, 800 km north of Bogota, reported today that Congressman Cantillo was kidnapped by three men who intercepted his vehicle. According to the official version, the politician, who represents this department in Congress, was on his way to the town of Codazzi. The kidnappers intercepted his car on a highway somewhere between Valledupar and Codazzi and forced him to accompany them.

The authorities believe guerrillas of the Popular Liberation Army (EPL) or Army of National Liberation (ELN), groups that operate in the region, may be responsible for this action.

At the same time, Antioquia Department police authorities stated ELN rebels released three executives of the Stanford Canadian company who had been held captive since 4 May. They are Colombian citizens Ignacio Zuluaga, manager of the company, and Argeron Blanco, as well as Peruvian citizen Alfredo Laos.

The release of the three executives came two days after the company announced it was closing its gold mining operations at the El Limon mine, in a rural zone in Zaragoza northeast of Medellin, approximately 400 km northeast of Bogota. On 4 May, the ELN attacked the El Limon mine installations, killing Engineer Jorge Villamil, kidnapping the three executives, and demanding the company's withdrawal.

ELN Attacks Pipeline; 'Ecological Disaster'

PA1305232090 Madrid EFE in Spanish
2101 GMT 13 May 90

[Text] Bogota, 13 May (EFE)—Colombian authorities today declared an ecological emergency in the Cienaga de Zapatosa area in the northern part of the country following a 12 May attack by the Marxist Army of National Liberation (ELN) guerrilla group on the Cano Limon-Covenas oil pipeline, the nation's largest oil pipeline.

The attack on the Cano Limon-Covenas pipeline took place in the rural area of Chimichagua, Cesar Department, approximately 520 km north of Bogota.

Cesar police commander Lieutenant Colonel Tobias Duran Quintanilla said that several ELN guerrillas dynamited the oil pipeline, causing crude oil to spill into several streams feeding into some towns' reservoirs.

According to the police commander, a large quantity of crude spilled into the Zapatosa swamp, the largest water reserve in the department which borders Venezuela and contains a rich variety of fish.

Lt. Col. Duran Quintanilla pointed out that a large portion of the swamp was contaminated by the spilled crude following the attack, although efforts are under way at some of the streams to prevent more petroleum from reaching the reserve.

The officer added that the ecological emergency was declared because the authorities are aware that a tragedy has taken place at the swamp.

The spilled crude, the quantity of which has not been disclosed, also forced the suspension of pumping from the Cravo Norte oil deposits in the eastern part of the country.

Sources at the Colombian Petroleum Enterprise (Ecopetrol) confirmed today that its workers are trying to repair the pipelines in the area of Chimichagua known as Los Placeres.

Lt. Col. Duran Quintanilla also pointed out that troops from the Army's 5th Brigade and police counterguerrilla personnel are searching for the ELN fighters who dynamited the oil pipeline.

The Cano Limon-Covenas oil pipeline, which is 780 km long, transfers almost 300,000 barrels of petroleum daily from Cravo Norte to the Covenas port on the Atlantic. Some of the oil from the Cano Limon wells is refined in the country and some is exported.

The ELN, one of the five guerrilla groups operating in Colombia, which has been involved in the armed struggle for over 25 years, is directed by former Spanish priest Manuel Perez. The ELN has dynamited the Cano Limon-Covenas oil pipeline more than 150 times since it began operating in 1986.

According to the ELN, the attacks against Colombia's hydrocarbon and mining infrastructure are a means of preventing the country's natural resources from being pillaged by multinational companies.

The ELN has reiterated on various occasions that it does not want to establish talks to reach a peace agreement with President Virgilio Barco's government.

EPL Threatens To Burn 40 Farms in Uraba

PA1105152090 Bogota EL TIEMPO in Spanish 4 May 90 p 8-A

[Text] Fear is once again rampant among the farmers of Uraba. The Uraba Banana Growers Association has reported that the EPL [Popular Liberation Army] has threatened to burn 40 banana farms if their owners do not pay a forced tax estimated at more than 50 million pesos.

Apparently the EPL is already carrying out its threats. Last week guerrillas burned the Empacadora El Desquite farm of the Rio Leon Agricultural group, causing more than 15 million pesos in losses.

According to Jose Manuel Arias Carrizosa, president of the company, the terrorist action, im which there were no casualties, has resulted in the forced dismissal of 80 workers.

According to Arias, the threats of burning the farms in Uraba have been accompanied by the killing of seven farm managers during the first three months of this year plus the kidnapping of four ranch owners in the area.

Arias claims that these figures will probably exceed those of last year when 16 farm managers were killed. He said that banana production is not "in full swing yet," and it is already 60 percent below last year's, when the workers declared a general strike.

Arias rejected any possibility of sabotage by the workers. He said that there is absolute harmony between management and workers and that there are no labor conflicts at any of the group's 187 farms.

Arias said that if the insecurity and threats continue in the Uraba area, it will be very hard to exceed the 47 million cases of bananas exported last year, although last year's strike resulted in more than 15 billion pesos in losses.

Paraguay

Strikers Delayed, Prevented From Reaching Capitol

PY1105155090 Asuncion ULTIMA HORA in Spanish 10 May 90 pp 12, 13

[Text] Military and police forces have reportedly delayed more than 1,000 Yacyreta project contractor workers in several places along the Ayolas-Asuncion highway in an attempt to prevent them from arriving at the metropolitan seminar in Asuncion, where they were planning to continue with a strike that they began two months ago.

Claiming to act on "orders from above," military and police forces have once again "laid siege" to the town of Ayolas, preventing "all strikers from leaving since approximately 2000 on 9 May, and thus preventing more than 4,000 workers from exercising their constitutional right to freely move in the country." This statement was made this morning to ULTIMA HORA by Alcides Ruben Ozuna, leader of one of the striking unions.

Ozuna blamed this situation on government authorities, "who have once again shown that they are not sensitive to the people's demands. It is not fair that some people should curtail the constitutional right to freely move in the country," he said.

All strikers repudiated the action, and despite the "orders from above" some 400 workers managed to evade the "barriers" in Ayolas, San Juan, Carapegua, and Paraguari—which have delayed all buses and even private vehicles with license plates of Ayolas, as workers themselves have reported.

Adolfo Caballero, who this morning joined the strikers, said that "like in an espionage movie, some six workers managed to pass through the military barrier in Carapegua and arrive in Asuncion this morning."

Caballero said that some 50 workers last night took the "Yacyreta" company bus which was later stopped in Carapegua. "They told us that they had orders to stop all strikers. The driver made us all get off the bus. We tried to make a phone call through Antelco [National Administration of Telecommunications] but we were told that only the police could use the phones. We therefore asked a woman who was travelling with a sick daughter to bring us," he added.

Yacyreta workers' lawyer Marcial Gonzalez Safstrand has filed a habeas corpus petition with the Supreme Court on behalf of 4,700 workers. The petition mentions the fact that security forces have prevented the free movement of strikers along Highway I.

Colorado Party Vice President Asks for Leave

PY1205204690 Asuncion HOY in Spanish 12 May 90 p 90

[Excerpt] Senator Blas N. Riquelme, third vice president of the Colorado Party executive board, has asked the party executive for permission to leave his post for an indefinite period. The request took the leadership of the "Democratic Alliance" [Colorado Party faction] of which he is a member by complete surprise. The well-known entrepreneur and politician said, however, that he will continue occupying his seat at the Senate.

On 9 May during a party executive meeting, Riquelme had an argument with Second Vice President Edgar L. Ynsfran, and Riquelme abruptly left the meeting. However, he was not followed by the other members of his "democratic" faction who stayed on and tacitly approved Ynsfran's temporary presidency.

Later Riquelme said he did not really want the presidency but he admitted that he was annoyed because the

assembly was not consulted on the president's replacement. Riquelme said the Colorado Party executive continues to be authoritarian and inconsistent. He added, however, that he will continue to support his party and his many friends in the party leadership. Riquelme also said that he did not intend to join the traditionalist faction or form any other faction. [passage omitted]

Peru

Presidential Election Official Results Issued

PY1105185090 Madrid EFE in Spanish 0319 GMT 11 May 90

[Text] Lima, 10 May (EFE)—The National Election Board [JNE] today issued the results of the presidential elections that were held on 8 April. The JNE confirmed that writer Mario Vargas Llosa, leader of the center-rightist Democratic Front (Fredemo), obtained 27.6 percent of the votes.

Alberto Fujimori, the "Change 90" presidential candidate, who is an engineer of Japanese descent, is in second place with 24.6 percent of the votes.

Neither Vargas Llosa nor Fujimori obtained the absolute majority needed to win the elections. Therefore, the two will have to participate in runoff elections.

The JNE issued the officials results today, 32 days after the general elections. A JNE source said it established a "record" because in previous elections more time was needed to issue the final results.

The JNE reported that a total of 7,866,856 people voted out of the 9,923,062 people who were eligible to vote. It added that 20 percent, 2,056,204 people, abstained.

Political experts have said that abstentions were high, taking into account that the Peruvian electoral law establishes economic sanctions for those who do not vote.

The JNE clarified that these results pertain only to the presidential elections, and the votes for congressmen must still be counted.

The JNE has not yet established a date for the runoff elections, which may be held on 10 June. The Constitution establishes that runoff elections must be held on the fourth Sunday after the publication of the election results.

However, the exact date of the runoff elections cannot be established because the results from the departmental election boards have not yet arrived at the JNE.

The official results of the elections held on 8 April are as follows:

Mario Vargas Llosa (Fredemo)	2,172,039 votes	27.6 percent
Alberto Fujimori (Change 90)	1,935,820 votes	24.6 percent
Luis Alva Castro (APRA)	1,508,077 votes	19.1 percent
Henry Pease (United Left)	548,320 votes	6.9 percent
Alfonso Barrantes (Socialist Left)	319,181 votes	4.0 percent
Four other candidates	631,709 votes	8.3 percent
Null votes	5075,845 votes	7.3 percent

Poll Shows Slight Slip in Fujimori's Popularity

PY1405032690 Lima Television Peruana in Spanish 0100 GMT 14 May 90

[Text] The latest opinion poll shows that 44 percent of those polled would vote for Alberto Fujimori of Change 90 and 35 percent would vote for Mario Vargas Llosa of the Democratic Front, Fredemo. Thus, Vargas Llosa is trailing Fujimori by nine points 27 days before the runoff election.

The poll was conducted on 12 May by the Laser Group, which is the opinion poll enterprise that most accurately projected the final results announced recently by the National Electoral Board.

The voters' preference for the runoff is as follows:

Alberto Fujimori	44.27 percent
Mario Vargas Llosa	35.05 percent
Undecided	18.02 percent
Void/Blank	02.66 percent

According to these figures, Fujimori's popularity has declined by 5.6 percent, but he is still the leading contender. For his part, Vargas Llosa's popularity increased by 3.2 percent. The number of undecided has increased from 16 to 18 percent, especially among women in the 18-24 age group.

Deputy Accuses Fujimori of Tax Evasion

PY1305221090 Madrid EFE in Spanish 0326 GMT 13 May 90

[Text] Lima, 12 May (EFE)—Deputy Fernando Olivera Vega of the Independent Moralization Front [Frente Independiente Moralizador—FIM] today filed charges of tax evasion in the Lima Prosecutor's Office against Presidential candidate Alberto Fujimori of Change 90.

Deputy Olivera Vega submitted documents supporting the charges to Prosecutor Jesus Pino Mantilla. Olivera Vega said that he submitted the evidence "despite the threats and intimidation carried out against me" since 6 May when he talked about this case on a television program.

Olivera Vega, whose party won seven seats in Congress in the 8 April elections, said that last December Alberto Fujimori sold a house for $55,000 and that he only declared $18,000 for tax purposes.

He added that the house was sold to an individual against whom charges were also filed in the prosecutor's office. He said that the payment was made in two installments: $25,000 in December and $30,000 in January.

Olivera Vega accused Fujimori of perjury and mentioned several articles of the tax and penal codes on which he based his charges.

Fujimori is the favorite candidate in the polls for the 10 June run-off elections against writer Mario Vargas Llosa of the center rightist Democratic Front (Fredemo).

Olivera, who also carried out a similar investigation on the sale of several properties of President Alan Garcia, said on television on 6 May that Fujimori committed the crime of "tax evasion."

In this regard Fujimori responded that he is not so naive as to be taken by surprise.

9 Shining Path Terrorists Killed in Clashes

PY1305223290 Buenos Aires DYN in Spanish 2000 GMT 13 May 90

[Text] Lima, 13 May (AFP)—Military sources reported today that nine alleged Shining Path members died in clashes with security forces in the Peruvian jungle on the eve of the 10th anniversary of the initiation of subversive actions in Ayacucho, in the southeastern Andes region.

The source also said an unidentified corporal was wounded during the clashes.

Senator Enrique Bernales, chairman of the Senate committee on peace and violence, said: "As of this month we have had an average of nine people killed daily. If the wave of political violence continues to increase at the current pace, we will have an average of 12 people killed daily by the end of this year."

Shining Path Gang Kills 14 Peasants in Cuzco

PY1305195490 Madrid EFE in Spanish 1909 GMT 10 May 90

[Text] Lima, 10 May (EFE)—It was learned today that 14 peasants from the town of Caciahui were shot dead by alleged members of the Shining Path terrorist gang who accused the peasants of cooperating with the Army.

About 30 hooded individuals arrived on 26 April in Caciahui, a town in the Chumbivilcas Province of Cuzco Department in southeastern Peru. After rounding up the peasants in the town's main square, the hooded individuals subjected them to a "people's trial" and subsequently riddled them with bullets.

The peasants killed were identified by their names by the leader of the terrorists who read a list of names out loud.

The terrorists took away with them two youths of the community.

The evening newspaper LA TERCERA reports today that the killing took place on 26 April, but that it was not learned about until today because of the remoteness of the site.

According to a special commission of the Peruvian Congress, the political violence in Peru has caused more than 1,100 deaths during the first four months of 1990 and subversive activities have caused about 20,000 deaths over the past 10 years.

Terrorists Burn Several Buses in Lima

PY1105195890 Lima Television Peruana in Spanish 1800 GMT 11 May 90

[Excerpt] [passage omitted] In addition to the serious problems affecting Lima residents due to the shortage of public transport facilities, terrorists last night burned nearly 10 buses of the state-owned enterprise, the National Urban Transport Enterprise [Enatru], in attacks carried out at various points of the city. The attacks left one dead worker and eight people injured.

The first attack was perpetrated at 2000 against two buses parked at the 3-D Terminal of the El Salvador route. Upon overpowering the Enatru personnel, six masked terrorists burned the two vehicles and rendered them useless.

Another group of terrorists burned two more buses at the Las Flores development in Canto Grande. The terrorists fatally shot in the head a worker who attempted to foil the attack.

Later, terrorists also attacked two buses in San Juan de Miraflores; another in the Jose Galvez shantytown; two more in the Mariano Melgar neighborhood of San Juan; and a last one on the 1500 block of El Naranjal Avenue in Los Olivos. [passage omitted]

Jurists, Coca Growers Oppose U.S. Military Aid

PY1105180290 Madrid EFE in Spanish 2101 GMT 10 May 90

[Text] Lima, 10 May (EFE)—International experts stated here today that the possible U.S. military presence in Peru may be used by the Shining Path guerrilla organization as a pretext to launch "a war of liberation," which could draw support from nationalist forces of the Peruvian left.

Members of the Andean Commission of Jurists (CAJ), a human rights organization, have told foreign journalists that they oppose the antiguerrilla military assistance agreement that is being negotiated by the governments of Washington and Lima.

The CAJ members claimed that the agreement could "inflame" the wave of political violence that has troubled Peru for 10 years, leaving nearly 20,000 people dead and losses estimated at $17 billion.

CAJ Director Diego Garcia Sayan said that the agreement will give "an unexpected turn" to the fight began by Shining Path in 1980 and will represent "an additional risk for the Peruvian people, who are the victims of this war."

In a recent document, Shining Path contended that the U.S. aid to Latin America and the antidrug campaign of the government of President George Bush are instrumental in developing the "counterrevolutionary war" in Andean countries, especially in Peru.

The Shining Path document said that the "Yankee aggression" will lead to "a war of national liberation," that it will be "an excellent opportunity" to make the Peruvian people share "the Communist Party's quest for power;" and that the aggression will create "conditions which, despite being tougher, will be conducive for promoting the victory of the revolution."

Political experts have noted the risk that the presence of U.S. military advisers will pose for Peru because this may lead to the deployment of U.S. troops to protect these advisers from guerrilla attacks, thus unleashing a snowball that could "Vietnamize this Andean country."

Radicalized Peruvian leftist groups, which maintain very nationalist and anti-American positions, have opposed the signing of the agreement by the government of President Alan Garcia.

According to official sources, the agreement envisages nearly $39 million in U.S. assistance in 1990 in military equipment and anti guerrilla training for 6,000 Peruvian soldiers, on a base to be built in the middle of the Huallaga River hinterland, the largest cocaine producing region in the world.

With the exception of a small annual assistance totaling $500,000, the United States has not given any military assistance to Peru for 20 years since the military government of Peru at that time purchased a large amount of Soviet materiel.

U.S. sources have stated in Lima that the assistance agreement is designed "to create security conditions for undertaking the antidrug struggle" in an area like the Upper Huallaga where both drug traffickers and guerrilla groups are active.

According to the U.S. sources, the training of Peruvian military personnel will not result in a larger number of U.S. military personnel in Peru, where there are currently between 15 and 20 "Green Berets," who are apparently Vietnam veterans and who are training National Police personnel in anti-guerrilla warfare in Mazamari, in Huallaga.

According to Garcia Sayan, the agreement contradicts an earlier agreement concluded by Bush with the presidents of Bolivia, Colombia and Peru at the Cartagena de Indias (Colombia) drug "summit" on 15 February, at which time it was stated that the fight against the illegal drug trade was a police matter.

Garcia Sayan said: "If the Cartagena agreement is not applied and if more aid is given to the Andean countries involved, then we would be just adding fuel to the flames."

Justo Chavez, the manager of a cooperative of coca growers in Upper Huallaga, disclosed the content of a letter he sent to Bush asking him for "real decisive economic support" to eradicate the 200,000 hectares of coca plantations existing in the valley.

Chavez said: "We asked for support to replace the coca plantations, but they are sending us war." He noted that the Huallaga coca growers are beginning to express "anti-Yankee feelings." Mario Escudero Rios, president of the cooperative, said that the Huallaga peasants, that is, nearly 200,000 families, are afraid of becoming the target of unrestrained repression, which would add to "acts of abuse and robbery" committed by Peruvian and U.S. agents stationed at the Santa Lucia antidrug base.

Ernesto Alvarado, a peasant leader of the Tingo Maria area, said that "if the Green Berets or anyone attacks us, we will brandish our machetes against them."

Uruguay

Soviet Embassy Confirms Gorbachev To Visit

PY1205164290 Montevideo Radio Carve in Spanish 0930 GMT 12 May 90

[Text] The Soviet embassy in Montevideo has confirmed that Soviet Chairman Mikhail Gorbachev will visit Uruguay in response to an invitation extended by Uruguayan President Luis Alberto Lacalle Herrera. Uruguayan President Lacalle reiterated an invitation that had been extended to Gorbachev by former Uruguayan president, Luis Maria Sanguinetti. However, the exact date of Gorbachev's visit to Uruguay has yet to be confirmed.

$1 Billion of Foreign Debt To Be Repurchased

PY1305012090 Madrid EFE in Spanish 1956 GMT 12 May 90

[Text] Montevideo, 12 May (EFE)—Uruguayan Central Bank President Ramon Diaz announced today that the Uruguayan Government will purchase $1 billion of its foreign debt on the secondary market.

This week Diaz met in the United States with IMF representatives to explain the basis of the new Uruguayan Government's economic program, and he reached an agreement for the repurchase of part of its debt to international banks.

Uruguay's foreign debt amounts to $6.3 billion, but the greatest problems come from its debt to private banks, amounting to some $1.6 billion. That debt was contracted at high interest rates, thereby forcing the country to transfer abroad almost one-third of the its export revenues annually.

For the purchase of its foreign debt on the secondary market, the Uruguayan Government will receive $500 million in resources from the IMF, the IDB, the World Bank, and Japan, Diaz said.

Uruguayan debt paper is currently sold on the secondary market at between $47 and $48 per $100.

Diaz said that Uruguay has always punctually paid its obligations, and some financial spokesmen have pointed out that this punctuality has been an obstacle because the private banks therefore display no interest in renegotiating their credits unber better conditions.

The Uruguayan Central Bank president has announced that a representatives of creditor banks will arrive in Montevideo next week to continue the negotiations.

In June, representatives of the Uruguayan Government will leave for New York to conclude the purchase of part of its foreign debt on the secondary market.

Government Confirms Salary Readjustment

PY1205030290 Montevideo Radio Carve in Spanish 0000 GMT 12 May 90

[Excerpt] The government has confirmed that the salary for the public and private sector will be increased by 15 percent. The authorities have held an almost three hour meeting with representatives of the business sector and of the central labor union.

At the end of the meeting Labor Minister Carlos Cat said that there will not be separate meetings to discuss the salary issue. Cat said that as soon as inflation is higher than 15 percent the difference will be taken into account for future readjustments. He added that by the end of the year the value of the real salary will decrease by six percent.

[Begin Cat recording] It is known that we have invited workers, businessmen, the economic team, and the Labor Ministry to attend a great round table in which our economic team explained the objectives of the economic policy and its relations with the salary issue. Our goal is to substantially reduce inflation by the end of the year. Our inflation is currently 30-35 percent per year. [passage omitted] [end recording]

Venezuela

Explosion Damages Door of Pantheon; No Casualties

PA1105194890 Madrid EFE in Spanish 1836 GMT 11 May 90

[Text] Caracas, 11 May (EFE)—The explosion of a homemade device seriously damaged the main door of Caracas' National Pantheon, which houses the remains of liberator Simon Bolivar, police sources reported today.

The explosion, which took place last night and for which no one has yet claimed responsibility, is the first incident of its kind in Venezuela since the 1960's, when the country experienced political violence.

Police sources reported that a bottle containing paraffin and a wick was found at the pantheon's door and this led them to presume that a Molotov cocktail was involved.

Lieutenant Hector Morillo of the Caracas Firefighters Corps said that the characteristics of the incident are very strange, because the investigations suggest that the explosion came from inside the building.

Policemen involved in the investigation reported that a person was arrested near the Pantheon, but his participation in the incident, which caused no casualties, has not yet been proven.

The police also reported that simultaneously to the explosion, the Masonic Lodge, which is located 300 meters from the monument and is considered a historical site, was partially destroyed by a fire.

The firefighters who put out the fire said that it destroyed the lodge archives, which contained valuable paintings and historical documents of Venezuela's national heritage.

Guyana

PNC Withdraws Controversial Constitution Review

FL1205152590 Bridgetown CANA in English 1504 GMT 12 May 90

[Excerpt] Georgetown, Guyana, 12 May (CANA)—Guyana's ruling People's National Congress (PNC), in a move that caught the parliamentary opposition by surprise, on Friday withdrew a controversial motion in the House of Representatives which had sought a review of the country's 10-year-old Constitution.

The opposition People's Progressive Party (PPP) and the Working People's Alliance (WPA) had earlier in the sitting strongly opposed the motion, with the PPP contending that it was a ploy to postpone national elections, constitutionally due by March next year.

With the government withdrawing the motion and contending that it was not afraid to put the matter in the

hands of the electorate, some observers here read the move as signaling an early election.

The PNC, in its motion, had contended, inter alia, that "it seems appropriate and timely to review the...Constitution to see how well its various provisions have worked in securing its objective of a democratic society based on the rule of law in which all citizens can find full scope for participation in the social, cultural, and political life of the country". The motion had sought approval for appointment of a select committee to decide if amendments were needed and, if so, to set the national machinery in train for the constitutional review. [passage omitted]